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CMA Manager

—Photo by Gilbert Milne.

Climaxing a 13-year career with the Canadian Manufacturers Association, John C. Whitelaw, Q. C., has been appointed the association's new general manager. The 46-year-old Montreal attorney, former manager of CMA's Quebec division, will now manage the affairs of the official voice of 2,000 manufacturing companies—almost 80% of the nation's industry.

THE NATION'S BUSINESS

Church Is Above Labor Politics

Never reticent when it comes to handing out advice, C. H. Millard of the CIO steelworkers union this week, turned his attention to the church. He doesn't like the attitude of that body toward labor-management disputes.

The church, complains Mr. Millard, is always on the sidelines. When labor, under orders from Mr. Millard or other union bosses, decides to tie up a community and go on strike, the church, he says, never identifies itself with such class struggles.

Why should it?

The church does not represent any single class or group. One doesn't have to have a union card to belong. Christian people are welcome whether poor or rich or in between. Occupation, profession, or politics do not matter. There is equal appeal to farmers, doctors, laborers, or businessmen, to men, women, or children.

The church is not concerned with stirring up class warfare, in setting one group against another. Its concern lies in exactly the opposite direction, in bringing all members of society into a common brotherhood.

If that means standing on the sidelines in Mr. Millard's little class wars, then most people will heartily agree.

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A Little Selling Won't Hurt Us

It is intriguing to think how today's annual wonderment over business prospects will look some decades hence. Each year since the war there have been some prophets of doom. Each year they have been wrong. Some day, of course, they might be right. But we don't think it is right now.

Here are two confident views expressed this week:

With 1954 coming up, Trade Minister Howe says the pessimists "are going to be wrong again." Business is going to be more competitive, he thinks, and some industries may be in for trouble. But in a free economy, who can ever expect profits and employment to be guaranteed?

Bank of Nova Scotia President H. L. Enman sees "expansion and prosperity." He also sees some problems ahead. He's watching exports, a smaller demand for consumer durables and for plant equipment, and what might happen in the U.S.

These forecasts are no idle pluckings from the skies. Both Mr. Howe and Mr. Enman are surrounded with skilled men with eyes on every decimal point fluctuation in business.

During the year, business has been adjusting to some important changes: Peace in Korea. Shifts in world trade. Lower prices. None has brought the country's economy crashing down—because it is no house of cards.

Going into the next year it's going to take more selling, both at home and abroad, more emphasis on value for the money.

But isn't this just the usual challenge of real enterprise and the hope for progress? Isn't this the drive that has pushed Canadians well on their way toward the highest standard of living in the world? Isn't this what we should expect?

In short, isn't this what we need?

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We Could Be Left High And Dry

The following is taken from a news report of an address by Ontario's Minister of Labor. It needs no comment by The Financial Post:

Speaking last night at the Quarter Century dinner of the Ontario Paper Co., Ontario's Labor Minister Daley said that he had sat in recently at a meeting where tenders for a contract were opened.

"The tenders from Britain—and I favor giving the British all the support we can—Sweden, and other countries made the bids from Canadian companies look sick.

"Canada is an exporting nation and a great deal of our prosperity depends upon our export trade. Unless we are careful we will have unemployment instead of employment."

Reminding his audience that he had been a carpenter and a small business man, Mr. Daley declared: "I want to see the working man get all the traffic will bear, but I don't want him to go too far for his own good."

Canadians, he said, enjoyed the fruits of a high standard of living, "but it is quite possible if we keep up demanding more that we will be sitting on the pinnacle, while the other countries around us will be doing all the business."

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Ottawa's Windy Hill

Parliament has been in session almost a month and members are still debating the Speech from the Throne. Almost 500 pages of Hansard have been covered with talk—most of it very poor talk—and not a single bill introduced yet.

"If Parliament passes one piece of major legislation before Christmas," says Blair Fraser in Maclean's Magazine, "the Government will be delighted and some of its cynical members will be astonished."

With every one of the 260-odd members ready to talk about anything and everything, is it any wonder that Parliamentary sessions have been getting longer and longer and the ordinary expenses of government higher and higher?

Public business must continue to be public. But surely we can do better than this. Without muzzling those who have something worth contributing, a way must be found for making MPs stick to the subject at hand. These long discourses into history and side issues, these endless speeches that are only aimed as at a handful of voters in the speaker's own bailiwick must be curbed. There is plenty of real urgent work for Parliament to do without wasting weeks before it gets down to business.

East Will Get Gas; Who Will Build Line?

Alberta Decision May Leave It Up To Ottawa To Choose Between Trans-Canada and Western Line Co. — Few Tax Concessions Are Expected

For complete story of the Battle of the Pipelines and details of the current gas picture in Western Canada, see the Oil and Gas Report, pp. 37-68.

By MICHAEL BARKWAY

OTTAWA (Staff)—A supply of Alberta gas for Eastern Canada is now assured.

An official announcement of export policy from Premier Manning was expected within a few days. It should answer the one main question still unsettled after last week's talks between Prime Minister St. Laurent, C. D. Howe and Mr. Manning.

That question is:

Will the Government of Alberta nominate Trans-Canada Pipe Line Ltd. to export its surplus gas to Eastern Canada? Or will it merely declare the extent of its surplus and leave Ottawa to decide who shall transport it east?

With this sole major question outstanding, many other facts—hitherto obscured—have become clear.

Here are some of the tricky problems which early this week seemed already to have been settled or to be well on the way to settlement:

—The extent of Alberta's exportable reserve. Report was that Mr. Manning would declare it to be 3¾ trillion cubic feet or even a little more.

—The possibility of export. Last week's meeting in Ottawa only confirmed the Federal decision, previously communicated to Alberta, not to allow (a) export to the U.S. mid-continent market, or (b) an eastern Canadian outlet which would be dependent on an overflow to the U.S. (Overflow was not completely ruled out, provided it was only an overflow and not a condition of building a pipeline to Eastern Canada).

—The gathering system in Alberta. Although it might have been claimed, as a matter of legal technicality, that the local gathering grid in Alberta should be under federal jurisdiction, the Federal Government will not make any such claim. Mr. Manning has been told that it is his responsibility to establish and control the gathering system which must supply the all-Canadian long-distance line.

—Tax concessions for the all-Canadian line. It is improbable that Mr. St. Laurent and Mr. Howe made any precise promise about the tax concessions the Federal Government might grant. But they may have given a gen-

(Continued on page 3, col. 1)

PRICES

Soaps: Although most laundry soaps and some synthetic detergents advanced early in November, a further round of increases is expected shortly. Higher tallow, coconut and other vegetable oils prices and lower glycerin—an important byproduct—are chief factors.

Tin has dropped sharply on reports from the Geneva Tin Conference that the U. S. was ready t sell some 40,000 tons of surplus stock to domestic consumers next year.

Sugar (refined) has taken another 10c cwt. drop reflecting continued low cost of cane. Higher freight rates (following close of navigation on Great Lakes) largely counteracts the drop.

Air travel on both tourist and first-class trans-Atlantic flights will go up after April 1, 1954, the increases ranging from $5 to $36 (round trip) depending on class and time of year. Pacific tourist fares (starting for first time on April 1, 1954) will be 25% lower than present first class fares.

Auto: One model of new 1954 Lincoln has been reduced $51 in U. S. Four other models remain unchanged.

Deepsea Fleet 'Extinction' Is 'Up To Ottawa'

OTTAWA (Staff) — The problem of Canada's ocean-going merchant fleet is going to get more attention in Parliament; and before long it will have to be reconsidered by the Cabinet.

This is the general view here after last week's Montreal meeting of the Canadian Shipowners' Association. Before very long the Government will be faced with a mass application for the transfer of ocean-going ships to U. K. registry. It will then have to face again the choice between letting them go, and offering some financial inducement to keep them on Canadian registry.

This general picture emerges: Forty ocean-going Canadian-flag ships now engaged in foreign trade are now under covenant with the Government. Seven other miscellaneous ships are free from the restrictions.

Of the forty, five are owned by Canadian National Steamships

(Continued on page 3, col. 2)

Can Yuletide Sales Beat The Heat?

Winter's Delayed Approach Makes Many Retailers Perspire, But All the Signs Point to Near-Record Volume For the Christmas Season

By ROBERT PERRY and Post Correspondents

The Eskimos are mad, the skiers are sad, and retailers are sweating out a hot session of slack-business blues.

Not until this past week, when winds blew colder and the Christmas rush began to pick up some semblance of steam, did many retailers see a way out of a serious warm-weather shopping slow-down.

A Halifax clothier summed it up: "Look, I've stocked furs. It should have been sport shirts."

High above the moans from Main St., the economists saw hope shining through the clouds.

Canadians aren't buying by the season any more; they're buying by the weather (The Financial Post, Oct. 10). But when the weather isn't seasonal—it's every retailer for himself.

For retailers who stocked up heavily on cold weather items, or sloppy weather items, dropping mercuries, snow and slush are the only hope, the economic prophets say.

This week, however, should mark the end of the shopper-shortage. Until now, warm weather has kept shoppers away, but now begins the Christmas spree.

"Maybe you wouldn't have bought your wife a fur coat last month on the spur of the moment. But if you're getting her one for Christmas, you don't care if it's 95 in the shade," one expert explains it.

And on another point both merchants and forecasters agreed: When the cash registers have jingled their last jingle before 1953 rings out, the volume inside will be pretty healthy.

Healthy but perhaps not more so than last year, one of the country's leading economic detectives pointed out.

"Don't be disappointed if this year's sales don't make last year's look silly—as we've said many times before," he said. "If we do as well as last year, or pass it slightly, we'll be doing very well indeed."

Reports From The Cities

Here are local reports from The Post's editors and correspondents in leading retail centres in "cold-weather Canada":

Toronto—Sales of what are considered usual winter goods, hard and soft, have been slow. Prices haven't nosedived. Toronto normally is a reliable barometer.

Take furs. Until the end of September, fur sales here and across Canada were up to par with all other industries.

"Unseasonal weather since that time has curtailed sales to some extent," said the Retail Furriers Guild of Canada. "While unit sales are high, weather has emphasized the trend toward shorter fur garments, which has affected the dollar volume."

As everywhere, however, the Toronto fur men think sales will reach the "satisfactory" mark by the end of the fur season, the end of February.

Fewer than one third of coats in storage for the summer have been called for.

Winter sporting goods have barely moved. Oddly enough, skates are said to be holding their own, probably because of indoor rinks.

In footwear, the picture is shadowy.

The average citizen, says the Shoe Retailers Association, "is wearing what he's got until the weather gets so bad he'll have to buy."

A snap snowstorm gave rubber and goloshes dealers a welcome boost a few weeks ago, but it was merely a sip to a parched throat. Originally, the shoe retailers had hoped for a 10% rise in sales volume for 1953. The weather has forced them into gloomily slashing that rise by one half.

Generally, "better grade" shoe stores haven't suffered so badly. But they all see this month as the key to the year's volume.

Clothing has moved slowly, but the clothiers have no real fears. Christmas will make up the balance for them.

Only one retail spokesman offered a dismal comment on a trade situation peculiar to Eastern Canada. "I wonder," he asked, "if the money that should be going into shoes and clothing isn't going into TV set payments?"

Nobody in Toronto appeared to have the answer to that.

Montreal—Despite some fancier-than-usual come-ons—such as free dancing lessons with every winter coat—prices have held in the Quebec Province market area. Almost no stock is going at sacrifice levels.

Quebec is an energetic winter sports haven, but so far this year

(Continued on page 2, col. 3)

Inside News

Our Oil Future
What will bring the next boom in Canadian oil? What's the outlook for natural gas? This week: an exhaustive Post report on past performance and future promise in exploration, production and markets and how the individual oil and gas companies — and oil stocks — are doing (pp. 37 to 68).

The 'Housing Shortage'
What is a "housing shortage" and does Canada have one? A financial expert takes a close look and comes up with some provocative answers. His study of the financing of housing construction in Canada and the likely effect of Ottawa's latest mortgage money decision (p. 19).

The Incredible Englishman
The Incredible Churchill, drama in the House of Lords, a personal drama of the theatre — these are some of the features of the British scene discussed by Adelphi this week. Letter from London (p. 23).

Natural Gas Stocks
MacNab's manager looks at the coming year with some anticipation. His portfolio is in a position to take advantage of at least one star in the 1954 firmament: natural gas (p. 5).

Bring Back the Whip?
Should whipping be generally inflicted as a punishment on the young hoodlum? Representative Canadians give their views on this suggestion of an Ontario magistrate. The Question (p. 7).

Unions in '54
The guaranteed annual wage will enter the bargaining table stage in 1954. What it's all about and what management should know now (p. 20).

Books for Businessmen
What to give? The Post looks at some new editions, fiction, world affairs, biography, reference and others that may help solve the giving problem or make handsome additions to your own library (pp. 10 and 11).

Price and Ottawa Procedure Dim Hopes of Consumers' Gas

OTTAWA (Staff) — Chances of U. S. gas being imported for Toronto are now believed here to be dead. This conclusion arises from two different circumstances, either one of which would have been enough (it is argued) to kill the Consumers' Gas Co. project.

1. Under the proposed amendments to the Pipelines Act, there appears practically no chance of getting a special act through the House of Commons this session (which means through 1954). Such an act will be necessary before Consumers' Gas can even apply to the Board of Transport Commissioners for a license to build its import line.

2. Information now obtained from the Federal Power Commission in Washington indicates that the cost of the U. S. gas in Toronto may be 5-6 cent. higher per thousand cubic feet than the cost of Western Canadian gas, even at the start.

The cost of Alberta gas at Toronto city gates is estimated at about 55 cents mcf, depending on amount carried. The original estimate made by Consumers' Gas for its U. S. import cost was 53 cents. This included three cents for the tariff, at the rate fixed under GATT at the beginning of 1948 (Tariff item 588a). But it was based on the U. S. price for Zone 4, which is the zone in which Buffalo falls.

The Federal Power Commission later ruled that Toronto should be considered as coming in Zone 5. With transmission costs from the border to Toronto pretty well fixed, this would have meant a price at Toronto city gates of 58 cents.

Now the F.P.C. has under consideration an increase in all gas prices. The new revision is likely to add at least another three cents to the price. So it is now considered that U. S. gas delivered at Toronto city gates could not cost less than 60-61 cents even in the first year. It is already provided that the field price shall go up in subsequent years.

The picture, as it now appears here is therefore:

—U. S. gas starting at 60-61 cents and likely to go up in later years.

—Canadian gas starting at around 55 cents, and likely to come down in later years.

Procedure in Ottawa

Apart from these economic considerations, this is the parliamentary situation:

—The amendments to the Pipelines Act might, with luck, be passed before Christmas. The

(Continued on page 3, col. 3)

New Alcan Deal in U.S. May Spur New Kitimat Addition

By GORDON MINNES

MONTREAL (Staff).—Another important deal in U.S. for Canadian aluminum is shaping up. It could mean considerable expansion to Alcan facilities at Kitimat. Completion of the deal may depend on the U. S. Government's calling a halt to plans for further expansion of U. S. primary aluminum production facilities.

Olin Industries Inc. of East Alton, Ill., now building a $5 million fabricating plant and planning a still larger one to serve new markets it is developing for aluminum goods in U. S., is reported negotiating with Aluminium Ltd. for 54,000 metric tons a year on a longterm basis—some reports say 21 years, starting in 1955.

The reason for believing the deal hinges on a decision by the U. S. Government on future U. S. primary aluminum expansion is that Olin was one of the three firms expected to participate in the third round of the U. S. expansion program. This program ran out of steam early this year. It was expected to be completed by 1954 but only about one quarter is even under construction. Olin and another company both bogged down on financing.

U. S. Decision Soon

The U. S. Government is expected to announce its decision within the next two weeks. If it decides for a continental approach to developing resources by calling a halt to its own program, Aluminium Ltd. obviously stand to benefit greatly.

But whether the new contract with Olin would mean further expansion depends on two main factors:

1. The U. S. Justice Depart-

(Continued on page 3, col. 3)

Air Industry Eyes Ottawa As Fog Clouds New Orders

Canada's aviation industry leaders are taking a hard look at the future.

Despite an expected record peacetime gross this year of $300 millions plus, few new orders are in sight. The Federal Government has yet to announce 1954 defense estimates, but hopes are not high.

Most worried are the hundreds of subcontractors built up over the last few years to supply the CF-100, F-86, Orenda engine and other programs.

Some have already been hit with the cancelation of the $100 million T-36 order for the U. S. Air Force last summer. No new aircraft business has come their way.

Less on Sub-Contract

Others are completing or have completed their work for the prime contractors and see little new bulk business ahead.

Then again, discussion is going on in the prime contractors' plants on drawing in sub-contrac. work as:

—No new orders appear to take up the slack;

—Greater efficiency per man is gained as the "learning curve" in production goes up, and men and space required at the early production stages become disposable.

—Prime contractors generally may try to solve their own problems by taking back some of the work now under sub-contract.

At present, keener competition between sub-contractors on prices, quality control and output point to smaller profit margins.

For the major companies, on which sub-contractors pin their future, here's how the future shapes up:

Canadair Ltd. has produced around 1,000 F-86 Sabres now and is well into production of the T-33 jet trainer. An end to both orders is in sight.

Hopes for orders lie in the Canadair designed four-engine maritime reconnaissance replacement for the RCAF; or a successor to the F-86, either the North American F-100 "Super-Sabre" or the Convair 102.

A. V. Roe Canada Ltd. is increasing rate of output of both the CF-100 and the Orenda engine with an expected decrease in the labor force through non-replacement—no layoffs, however. The CF-100 and Orenda contracts are expected to run for some years with possible NATO orders in addition.

For the future, design planning is being done on a CF-100 succes-

(Continued on page 3, col. 1)

Competition Question Mark Only Steel Horizon Cloud

Still operating at capacity. That's the latest word from Canada's fast-stepping steel industry.

Order books for first quarter 1954 business have been closed for a couple of weeks.

Although steel people are a little more hesitant about forecasting forward business, they think there is a good chance that demand will hold high for the first half of next year. They'll admit there are plenty of warning signs that might indicate time is running out on their seven-year postwar boom but they can't get too pessimistic about them. They look to continued industrial expansion to counteract any soft spots.

Main concern at the moment is business tempo in U. S. If steel orders start to ease even moderately there over the next few months, U. S. steel men will soon be drumming up business in this country armed with sharply competitive price lists. Already several U. S. steel companies have started to put a little more push behind their Canadian sales program.

A big question mark for the steel industries in both countries is the automobile industry. The seasonal slack during changeover to new models is now over and a good part of the forward business pattern for steel companies will depend on the buying policy pursued by the auto companies. This week U. S. steel mill operations had dropped to their lowest since last August when mills were recovering from a long steel strike (86.8% of capacity).

Steel demand from the norm-

(Continued on page 3, col. 4)

Machinery Tax Exemption Stumbles Over Definitions

OTTAWA (Staff)—Buyers and sellers of machinery and apparatus used to manufacture or produce other goods were left in some doubt this week about their obligation to pay sales tax.

One of the most important exemptions from sales tax provided in the Excise Tax Act covers such machinery "as defined by the Minister." But the validity of the exemptions already granted by the Department of National Revenue was called in question by a ruling of the Tariff Board. Revenue Minister McCann, in telling the Commons about the Tariff Board ruling which seemed to leave a deadlock, declared it was "quite impossible" for him to follow the procedure which the Tariff Board said he was bound to follow.

It appeared at midweek as though the legal position of sales tax exemptions could only be settled by an appeal to the Exchequer Court.

How It Stands

The interim situation seemed to be this:

The Department of National Revenue has "no intention of curtailing" the exemptions. But if any further appeal on exemptions is taken to the Tariff Board, the Board will rule against them.

The legal tangle centres on the item in Schedule III of the Excise Tax Act, which provides exemption for "machinery and apparatus, as defined by the Minister of National Revenue, which in the opinion of the Minister are to be used directly in the process of manufacture or production of goods."

It started with an appeal to the Tariff Board by General Supply Co. of Canada, Ottawa. The company sought to get exemption from sales tax on electric generating sets used for general lighting, heating and cooking

(Continued on page 2, col. 5)

Silver Fox To Reign Again?

An Old, But Lagging Industry Gets Fashion Lift

By PETER NEWMAN

MONTREAL (Staff)—A unique, one-man trade mission returned to Montreal this week after a tour of European fashion designers to sound out the possibilities of restoring Canadian silver fox furs to the leading export position they once held in world fashions.

"Unanimous enthusiasm" was the report of Frank Dodman, manager of Henry Morgan & Co. fur department, on European acceptance of his ideas.

The heavy, well-groomed fur expert has convinced leading fashion houses in Britain and on the Continent to use Canadian fox in making up many of their new lines. These samples will also be shown in Canada, at a later date, with the hope of stimulating badly lagging domestic sales of the long-hair fur.

The trip, sponsored by the Canadian Silver Fox Breeders Association, Summerside, P.E.I., is expected to result in a vigorous new sales drive by the industry. A new name for the furs will be selected and experiments with improved mutations will be speeded up. The Association is donating 500 of the pelts to the fashion houses to enable them to make up models.

"The Canadian fox furs met with high acclaim everywhere. The historical prestige of the Canadian-grown fur has not diminished but increased through the years," Mr. Dodman told The Post.

He visited London, Paris and Rome, calling on such famous fashion houses as Michael, Worth, Fath, Balmain and Schubert. Production of silver fox and imitation types for pelts this year dropped to about 50,000 pelts—50% lower than in 1952.

Only 10 years ago, fox farms harvested over one million and a half furs. Blame for the production drop, and its parallel price plunge, has been placed by the industry on lack of demand. The new drive to bring back silver fox will, it's hoped, restore the prosperity once enjoyed by the industry, once a sizeable exporter.

Stock Market Highlights

Mines

Lorado Uranium moves up from last week's 26c to as high as 95c on news of good to high grade uranium ore established; 280-ft. length averages $64 over 14 ft. in drilling.

Canadian Collieries market upswing extended. Stock touches $5.30 Tuesday, up 35c on day at $4.85 close. Reason: share in important Alberta oil discoveries.

Pacific Petroleums eases 30c to $8.85. FPC "green light" on Westcoast gas line not expected until early next year.

Industrials

Brazilian Traction common dipped to $7¾, lowest postwar level, on news of stock dividend and small cash payment (total cash equivalent 8c a share) for final half instead of usual 50c cash dividend.

Consolidated Paper common dipped momentarily, recovered to $42 (near 1953 high $42½), despite some disappointment on street over news that '53 total dividends not increased over '52 level.

St. Lawrence Corp. common touched new high for year ($38¾) as papers remained strong. **Howard Smith** common also at '53 peak ($20¼).

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ANNOUNCING

Important Appointments in Canadian Industry, Finance, Business and Government

Bank of Canada (Ottawa) — Harold B. Schurman, president, M. F. Schurman Co., Charlottetown, a director.

Bank of Toronto — A. T. Lambert and S. T. Paton, assistant general managers.

Canadian Cottons Ltd. (Montreal) — Douglas Keefe, vice-president-sales, effective Jan. 1.

Canadian Manufacturers Association (Toronto) — John C. Whitelaw, general manager.

Canadian Marconi Co. (Montreal) — H. G. Nelson, deputy managing director, English Electric Co., director.

Collins Radio Co. of Canada (Ottawa) — W. S. Kendall, resident manager.

Crawley Films Ltd. (Ottawa) — Mrs. Marslena Genser, purchasing agent.

Diwalt Sales Ltd. (Toronto) — L. A. Hughes, vice-president-manufacturing and director; B. M. Cohen, secretary-treasurer and director.

Erwin, Wasey of Canada Ltd. (Toronto) — Stewart Tucker, comptroller.

Government of Saskatchewan (Regina) — Frank Copithorne, general manager, Saskatchewan Transportation Co.

Harold F. Stanfield Ltd. (Montreal) — Gilles Duhamel, director of radio, television and French services departments; Ernest H. Smith, radio supervisor and time buyer, both Montreal office.

Harry E. Foster Advertising Ltd. (Toronto) — Barton Wakefield, account executive, Montreal office.

Hinde & Dauch Paper Co. of Canada (Toronto) — William H. Palm, president and general manager and a director.

Husky Oil Refining Ltd. (Lloydminster, Sask.) — W. E. Powell, vice-president, land and exploration.

Industrial Acceptance Corp. Ltd. (Montreal) — E. W. McCracken, manager, new 1689 Eglinton Ave. West, Toronto, office.

James Lovick & Co. Ltd. (Vancouver) — "Bud" Hayward, TV and radio director; C. A. Squibb, account executive; both Montreal branch.

Montreal Locomotive Works Ltd. (Montreal) — James H. McGraw, Jr., member, business advisory council, U. S. Department of Commerce, a director.

Northern Life Assurance Co. (London, Ont.) — J. S. Thompson, manager, new 1257 Yonge St., Toronto, branch; B. E. Hewitson, manager, Hamilton branch.

Personal Finance Co. of Canada (Toronto) — Pierre E. Gagnon, manager, new St. Jerome, Que., branch.

Sandwell & Co. Ltd. (Vancouver) — E. S. Barton, of Vancouver, resident engineer for the company on $40 million design and construction project in New Zealand for Tasman Pulp & Paper Co. (The Financial Post, Nov. 28.)

Sparton of Canada Ltd. (London) — W. L. Page, general sales manager for Canada.

Toronto General Trusts Corp. — Gordon P. Osler, president, Osler, Hammond & Nanton Ltd. and Osler & Nanton Trust Co., a director.

Trailmobile Canada Ltd. (Toronto) — George D. Foster, controller.

Can Yuletide Retail Rush Beat The Weather Slump?

(Continued from page 1)

only a trickle of the usual crowds have strolled down snowless streets into the shops in search of skiing equipment. As in the national pattern, other winter goods are near a standstill.

The Christmas outlook is healthy, but sales may be crowded into a last-minute spree. This was the prewar pattern, changed by wartime shortages which prolonged the Christmas purchasing season.

The red, green and white price tags on Christmas merchandise are down a bit from the previous year on some soft goods, jewelry, appliances and a few specialties such as imported Christmas tree decorations from Japan.

While retailers' patience is wearing thin, no one seems worried about seriously lower total Yule sales. "The demand is there, but it's hard to convince customers that the weather is eventually bound to become seasonable," one soft goods retailer told The Post.

One happy result of the spring-like days: an unprecedented extension of the construction season, with many projects now expected to be completed ahead of schedule.

Winnipeg—An unusually mild and open fall throughout October and the first half of November has cut business. But the worst seems to be over.

In spite of it all, retailers think the over-all volume of Christmas business will be as good if not better than last year.

At points in the province outside Greater Winnipeg, except for heavy clothing lines, there has been no recession in buying. The backlog blamed on mild weather has been partly but not wholly picked up by the more normal but not severe winter weather the last 10 days of November.

Several local conditions in Winnipeg tended to slow up retail buying:

—The severe polio epidemic of 1953 which forced a two-week delay in school opening.

—The recent strike of steel workers in Dominion Bridge Co. and Manitoba Bridge & Engineering Co. which has now been settled after a lay-off of a month.

The number of workers involved in the strike wasn't large—about 700—but it had a noticeable effect on business.

A third reason has been the lay-offs in railway shops.

Some specialty stores along Portage Ave. report a slow-up and at mid-November claimed they were 10% to 15% below volume of last year. Their businesses, perhaps, are more affected by mild weather than are department stores and their lines more sensitive to effects of deferred buying.

The same thing occurred last year but their volume picked up immediately preceding Christmas.

In spite of the low quota on grain deliveries, business in rural Manitoba is good.

The effect of grain situation may not be severely felt until after the New Year. Farmers generally are complaining of a shortage of cash but this mostly means they are short of cash on their 1953 crop because they can't deliver it. The reported money shortage hasn't yet seriously hit retail business.

Prospects are that Christmas trade will at least hold its own with last year.

Halifax—A slow start on a wet track is slowing Halifax's annual Christmas sweepstake to a crawl. A combination of the warmest autumn weather in years and intermittent rain almost daily is crippling the usual Christmas shopping boom.

Pre-Christmas sales are far below normal. "We can't seem to get the public really interested because of the springlike weather," said the manager of a downtown department store.

Most stores were ready for the Christmas rush five weeks ago. And now they are waiting, and waiting.

Sales of winter clothing have been just about nil. Winter overcoats, overshoes, snow boots, rubbers, gloves, fur coats, mitts, scarves and even fur-lined suspenders are still gathering dust on merchants' shelves despite the fact that there are only three weeks left until Christmas.

Winter sportswear, skates, etc., aren't moving at all, and the fuel merchants too are having it slack right down the line.

A shoe store proprietor summed up the situation in his field: he hadn't sold a pair of overshoes since last spring. "Not even for gifts," he said.

No wonder Haligonians haven't been able to get in the mood for Christmas buying—there have been reports of mayflowers blooming in the woods, strawberries in the gardens, rosebushes sprouting new buds, and new green grass.

All this is a far cry from last year, when a cold November resulted in the happy song of ringing cash registers and every merchant wore a smile.

The weather remains balmy at midweek. But there was an indication that people were starting to do their Christmas shopping, sunshine or no. Merchants generally feel that the last minute rush this year is going to be the biggest in a decade.

Edmonton—Price tags here, the stores say, are down some compared with last year's. But nobody's worried about the imminent Christmas trade, which promises to be a boomer.

A prolonged spell of mild weather hit sales of winter merchandise in the Edmonton area, especially overshoes and rubbers. Winter coats are moving slowly, since light fall coats are still the vogue in this northerly centre.

Some merchants report their business ahead of last year's, but they're wearing wrinkled brows. Buying in the straight Christmas lines is healthy.

DIVIDEND NOTICES

ATLANTIC WHOLESALERS, LIMITED

DIVIDEND NOTICE

NOTICE is hereby given that a dividend of 10c per share has been declared on the Class "A" and Class "B" shares of the Company payable January 2, 1954 to shareholders of record December 15, 1953.

EXTRA DIVIDEND

NOTICE is hereby given that an extra dividend of 10c per share has been declared on the Class "A" and Class "B" shares of the Company, payable January 2, 1954 to shareholders of record December 15, 1953.

By Order of the Board.

R. G. SHARPE, Secretary.

CN, CP Vie For Short Rail Line To Ontario Mine

Canada's two main railroads — the CPR and CNR — are sparring for the privilege of building a short Ontario rail line to service the growing operations of American Nepheline Ltd., north of Peterborough. The battle has come out in the open with an application by CPR to build a 20-mile line from Havelock to Nephton, American Nepheline townsite.

The American Nepheline operation has been serviced to date by a CNR line to Lakefield, 26½ miles from the American Nepheline property. At one time, American Nepheline operations were largely centred at Lakefield but in recent years processing operations have been mostly carried on at Nephton. All operations will be transferred to the mine site there eventually, it's understood.

American Nepheline has apparently no great concern as to which line builds the railway — as long as it is built.

Steel Workers Try to Twist Story in Post

In a special statement this week an official of the United Steel Workers at Washington implies The Financial Post said something quite different to what it did say.

Arthur J. Goldberg, general counsel of the USW this week said: "There is no foundation whatsoever for the story that appeared in The Financial Post of Nov. 28 to the effect that the International Union was not supporting the mine strikes now under way in Northern Ontario and Northwest Quebec.

"The International Union, on the contrary, is fully supporting these wholly justified strikes and will continue its support until the employers negotiate a mutually satisfactory and fair settlement with the Union."

The Post did not say nor imply that the international union was not supporting these strikes. It did say: "Reports this week are that the international officers of the union have become alarmed at the cost of the strike and think now that Millard has bitten off more than he can chew. The union brass realize the importance of the check-off but don't think it is worth the price being paid."

Tax Tangle On Machinery

(Continued from page 1)

purposes on farms, or for certain other purposes. Such exemption is granted to generating sets used in logging camps. But the department had refused it to General Supply Co. on sets for use on farms.

The Tariff Board refused the appeal for exemption, but on grounds which called in question the validity of all exemptions granted to "machinery and apparatus."

The Board said that the terms used in Schedule III required the Minister to define "machinery and apparatus." It said a series of ad hoc decisions would not do. But it could find no evidence that the Minister had ever made such a definition.

On this point Dr. McCann's statement to the House of Commons declared: "It is quite impossible to define in advance which of the thousands of items of machinery and apparatus used in all sorts of manufacturing and producing might constitute machinery and apparatus used directly in the process of manufacture or production of goods' which the Act contemplates exempting."

The Tariff Board's second complaint was that even the ad hoc rulings given by the Department of National Revenue on sales tax exemptions were invalid because the Minister had not formally delegated his authority to the officials.

Dr. McCann met this head-on. He said the exemptions made by the department were "proposed by the officials and endorsed by the Minister."

He also said, in his prepared statement: "There is no intention of curtailing the list of items already exempted."

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CANADA'S MOST USED BUYING PLAN

Gas For Eastern Canada; Who Will Build the Line?

(Continued from page 1)

eral assurance to Mr. Manning that federal tax exactions will not be permitted to reduce the well-head return to Alberta producers.

It is assumed here that the builders of the all-Canadian line will be allowed exemption from import duties. Exemption or reduction of sales tax on pipe and equipment is more doubtful. This has been refused to several key resource developments (such as the iron-ore railway in Labrador), and the Government's experts are not yet unanimously agreed that it is any more necessary in the case of the all-Canadian pipeline.

Deferment of income tax, which is a major assumption in the final plan of the Canadian Bechtel Corp. is again very doubtful. On the scale requested by Bechtel, it is probably out of the question. As a three-year deferment equivalent to that granted to new mines, it might be considered. But before any precise decisions are reached on tax exemptions, the Government is likely to take a close look at minimum wellhead prices in Alberta and maximum economic prices to consumers in Eastern Canada.

On present showing, some experts hold the view that there is plenty of margin to cover the costs of construction and amortization. Unless a real squeeze is shown, tax exemptions will be kept to a minimum.

Alberta's Choices

Mr. Manning left Ottawa at the end of last week with two propositions before him.

One was Western pipe-line's application for a line Alberta-Winnipeg-U.S., with a possible later extension to Eastern Canada. The other was Trans-Canada Pipe Line's proposal for an all-Canadian line from Alberta to Ontario and Quebec.

He left here without indicating what his choice would be. But he knew—without possibility of question—that the proposal to export any gas to the U.S. before Ontario and Eastern Quebec had been supplied would be stopped by the Federal Government. If he had wanted to run head-on into a clash with Federal Government, it is argued here, he would not have bothered to come down to Ottawa last week.

What he did secure from the Federal Ministers and this also without possibility of reversal—was the assurance that they would not question his right to control the gathering grid system in Alberta. It was therefore expected that Mr. Manning would announce, simultaneously with the export surplus, his choice of company to build the gathering system.

To Build Big Line

But there remained the choice of a transmission company to build the all-Canadian line. An Alberta nomination of Trans-Canada would ensure quickest passage through federal authorities. Its charter from the Federal Parliament was a charter to build the all-Canadian line. If it came to the Board of Transport Commissioners as the chosen nominee of Alberta, its license could be put through very quickly.

Some fear lingered here, however, that Mr. Manning might wish to avoid giving his nomination to Trans-Canada. In that case—since a nomination of Western would provoke collision with Ottawa — his only alternative would be to leave the field open. Such a course it was freely said, would make a farce of the lengthy and expensive hearings before the provincial board. It would also tend to delay the result Mr. Manning most wants to achieve—the quickest possible outlet for Alberta gas.

If, in spite of these views, Mr. Manning does leave it up to Ottawa to choose the company which shall build the all-Canadian line, then it is uncertain how closely the Board of Transport Commissioners can limit the field.

Five or six companies, which got their Federal incorporation, are entitled—from a Federal point of view—to apply to the Board of Transport Commissioners for a license. But only Trans-Canada and Western were able to stay the course before the Alberta board. If Mr. Manning hands the question over to Judge Kearney and his fellow Transport Commissioners, they will have to decide how many companies they need to hear.

Air Industry Eyes Ottawa

(Continued from page 1)

sor, the CF-105 and various super-Orenda engine designs.

De Havilland Aircraft of Canada Ltd. is continuing to produce Beaver and Otter aircraft in limited quantities for both civil and military customers. With the new year they will take over jet engine overhaul work from Canadian General Electric.

For the future, hopes are pinned on selling Beaver airframes to Britain; joint participation with Canadian Car & Foundry on a Canadian Navy and NATO order for production of the twin-engined Grumman F2S1 sub-hunter.

Canadian Car & Foundry was hit by cancelation of the T-36 contract; is winding up its Harvard trainer building program and will go ahead with a USAF order for a T-34 single engine trainer. Hopes are based on Canadair subcontract work and participation with de Havilland on the Grumman order.

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TORONTO AND MONTREAL

Ottawa Pilots Deepsea Fleet

(Continued from page 1)

(all of 4,700 tons).

Out of the remaining 35, the owners want to dispose of 30. Three are being proposed for sale. Some 27 (at the closest available count) are being proposed for transfer to U. K. registry.

If these transfers are put up to the Government, it will face the loss of 86% of the deep sea merchant ships now engaged in foreign trade under the Canadian flag. (Tankers are left out of this calculation.)

Embarrassing Move

The request for transfer to U. K. registry currently appears here to be the most embarrassing move the shipowners can make. But it is not the first demand which will be made in their representations to the Government. The resolution adopted by last week's meeting of owners will be the basis of the industry's next approach. It gives first place to a more general request. It asks the Government to remove all restrictions from Canadian flag ships.

"Since," it says, "the Government has apparently renounced its previously declared intention of having a deep-sea merchant marine commensurate with Canada's economic and defense requirements, there appears to be no useful purpose served in continuing the present restrictions as to operation under the Canadian flag."

The requests to transfer to U. K. registry will follow if this appeal goes unheeded.

Applications for transfer or for sale would have to be made to the Canadian Maritime Commission. That body, whose chairman is now Louis Audette, could not approve them without the consent of the U. K. Government. The U. K. might take the view that the 1949 deal, whereby 90 Canadian ships were transferred on certain stated conditions, was now dead. New negotiations would be necessary, with no firm assurance that the U. K. is willing to take an extra 30 Canadian ships on the same terms as formerly.

Would Liquidate Fleet

But even before the approach was made to U. K., it is believed here, the Government would have to give its approval for a mass transfer which would virtually liquidate the ocean-going fleet operating on Canadian flag. It would then have to choose, well-informed quarters believe, between the two horns of the dilemma which its earlier statement was designed to dodge: subsidy or liquidation.

The basis of the earlier statement of policy (The Financial Post, Nov. 21) was that modern ships acquired abroad might be operated on Canadian registry without subsidy. The shipowners' present stand makes it clear that they do not believe this possible, and are not prepared to try.

In this connection, attention has been caught by one phrase in Transport Minister Chévrier's House of Commons defense of the Government's policy. He appears from Hansard to have said that a subsidy even higher than $100,000 per year would be required to operate modern ships on Canadian registry (p. 410, col. 1). After discussing the question of government subsidies for building in Canadian yards, he said: "This would not do away with the subsidy, because once we had modern ships we would have to pay still further subsidies, greater than the $100,000."

If this means what it seems to mean, observers take it as a direct contradiction of the policy announced last month which assumed that modern ships could be operated in Canada without subsidy.

Price and Ottawa Procedure Dim Hopes of Consumers' Gas

(Continued from page 1)

Government would like to get them through as quickly as possible, but their passage cannot be guaranteed.

—Once they are on the statute book, the sponsors of the Niagara-Toronto gasline would have to go through the regular procedure for private bills.

This involves, first, a petition endorsed by a senator or M.P., to be presented separately to the Secretary of State (for the Governor-General), to the Senate and to the House of Commons. These petitions have to be presented within the first six weeks of the session, which this year means by December 23. This date can only be extended by a resolution of Parliament itself.

The proposed private bill also has to be advertised for four consecutive weeks in the Canada Gazette and in the principal centres of population in the province through which the line would pass.

The bill may be introduced either in the Senate or in the House of Commons. They generally start in the Senate, because passage is apt to be quicker there. But in both houses there have to be the regular three readings, and the Commons Railway Committee considers pipeline bills between second and third reading.

Without special provision by the House of Commons, it hardly looks possible for Consumers' Gas to get its bill into this session within the prescribed period. If it does, it is unlikely to get on the list for hearing until the time for private bills is reduced (as it always is) to two hours a week. After this reduction is made, on a Government motion, the only two hours left for private bills are 5-6 p.m. on Tuesdays and Fridays. It doesn't take many members to fill up that time with talk; and such talk — as some of the other pipeline companies found—can prevent a vote taken for many weeks.

Looking at it dispassionately, parliamentary observers believe it would take a very special push — which doesn't now seem likely —to get a Niagara-Toronto pipeline bill through before Parliament adjourns next June or July.

New Alcan Deal In US May Spur New Kitimat Addition

(Continued from page 1)

ment's suit aimed at canceling Aluminium Ltd.'s contract with Alcoa (for 545,000 metric tons 1953-58). Hearings on this have not yet started.

2. General level of domestic and export demand over the next few years.

Announcement of the contract with Alcoa and another with Kaiser last spring generated a speed-up in expansion at Kitimat. Preparation of the groundsite for an 81,500-metric-ton addition has gone ahead but decision to install the two additional potlines involved is momentarily stalled, pending clarification of some of the present uncertainties.

Current Alcan Picture

Here's the Alcan picture as it shapes up at the moment:

—Production capacity is now about 500,000 metric tons annually, will be raised to about 580,000 metric tons when the first stage of Kitimat is complete in mid-1954.

—The U.K. has contracts for roughly 250,000 metric tons a year to 1955, has first call on 250,000 annually 1956-57 and 275,000 annually 1958-60.

—The Alcoa-Kaiser contracts call for average annual deliveries of 175,000 metric tons a year 1955-58.

—An extra 100,000 tons a year is earmarked for independent U.S. fabricators 1953-59.

—Canadian market demand is expected to total around 80,000 tons this year.

—Export markets other than U.S. and U.K. should take about 36,000.

All this makes up a 1955 total of 640,000 tons, although it cannot be regarded as firm demand in view of the Alcoa suit and other uncertainties.

Expansion Possibilities

If initial Kitimat output of 83,000 tons a year were supplemented by the 81,500-ton addition, total production capacity would be raised to 660,000 tons. But a 54,000-ton contract with Olin would raise demand close to 700,000 tons—assuming other demand holds. Thus a new addition at Kitimat would be inevitable.

But no decision along these lines can be expected till the other uncertainties are resolved. Installation of additional capacity at Kitimat would only take about a year so the company can afford to wait a while before making a decision.

Alcan has said that additional capacity of about 182,000 metric tons a year over and above initial 83,000 will be possible at a cost estimated to be about one-third of initial capacity installation. With the first stage now expected to run about $250 millions, the full addition would cost under $180 millions.

New Markets, Uses

One of the interesting features of the Olin deal is the new markets for aluminum the U.S. firm plans to supply. With aluminum coming into easier supply, development of entirely new applications of aluminum in civilian production is a crucial factor in the industry outlook.

For instance, Olin has developed a new hydraulic inflation process for making heat exchangers out of sheet aluminum —a process promising such great savings over the old method of drawing tubes and brazing them together, that the company is building a small $5 million aluminum fabricating plant at its main works in East Alton, Ill., to get into quick production.

Another application developed by Olin, a major U.S. producer of firearms and cartridges, is extruded aluminum shot shells and cartridge cases.

The main aluminum fabricating plant planned by Olin is expected to be built either in Ohio or Illinois adjacent to large coal reserves. If the company decides to go ahead with a primary aluminum plant, it would be built beside the fabricating plant and make use of coal as a fuel for power generation.

Denton Massey Named President U.S. Standard Co.

Denton Massey has been appointed president of the new U. S. company, Standard-Triumph Motor Co., formed by the parent U. K. company to push sales of the Standard cars in U. S. Head office will be in New York.

Look For It Here

December 5, 1953

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Few Clouds For Steel

(Continued from page 1)

ally big agricultural implements market has slumped to very low levels in both countries. In view of the surplus position in many farm products—particularly wheat and cotton—and gradually dropping trend in farm product prices, outlook for any nearterm pick-up in orders from this source looks pretty dim.

Although competition from Europe and U.S. in heavy steel items is still at a relatively low level it is increasing sharply in the lighter, more finished lines, such as all types of fasteners, tools, etc. Biggest inroads are being made by German, U.K. and recently Japanese producers. With a lower steel cost to start with and with sharply lower wage rates these overseas producers are able to overcome long ocean transportation costs and laid down competitively in this country. Actually rail transportation costs from Toronto to Halifax are about equal to ocean rates from Hamburg, Germany to Halifax.

"We will have to fight hard to equal 1953 business," a large Ontario tool manufacturer told The Post this week.

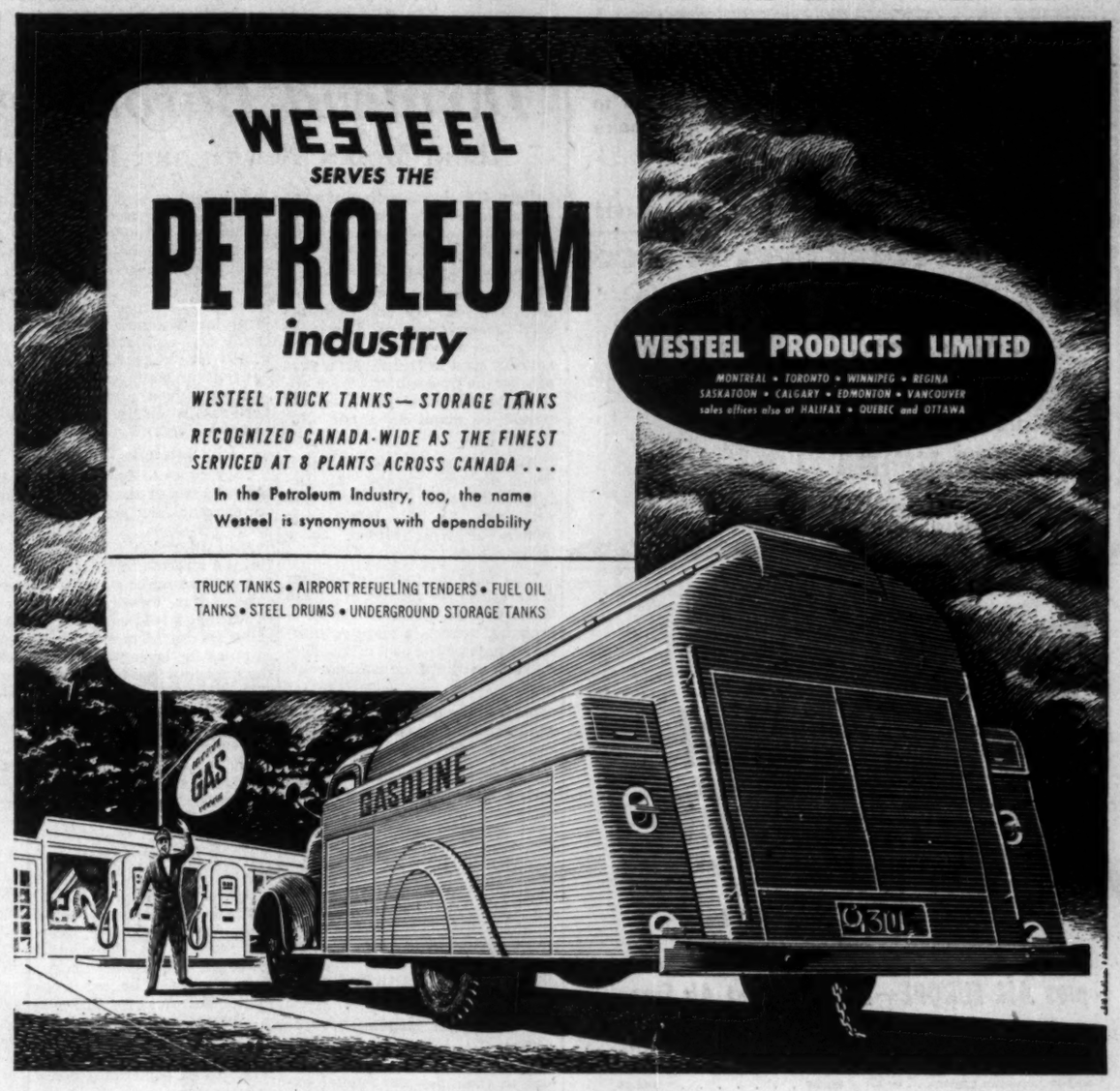
Steel production in Canada however, continues to make record highs. The 10-month total to end of October amounted to 3.4 million tons, up 14% from same period last year. Despite stepped-up output both hot and cold rolled sheets and galvanized sheets are still a little on the short supply side, although the tight situation that prevailed in these items a year ago has almost disappeared.

Anglo-Canadian Gets Dryden Stock

MONTREAL (Staff) — Anglo-Canadian Pulp & Paper Mills Ltd. has now acquired nearly all the outstanding shares of Dryden Paper Co. under the offer to purchase made last summer, it is indicated.

An additional 99,095 npv common shares of Anglo-Canadian were listed recently, raising the total outstanding to 1,261,529. This compares with 1,050,000 prior to the offer, so that at least an additional 211,529 shares have been issued by the company. The offer was $35 cash plus one share of Anglo-Canadian for each share of Dryden.

There were 215,000 Dryden shares outstanding, including 10,000 under option to President E. L. Goodall, so that at least 98.3% of this total have now been turned in. The offer now is due to expire Jan. 29, 1954.



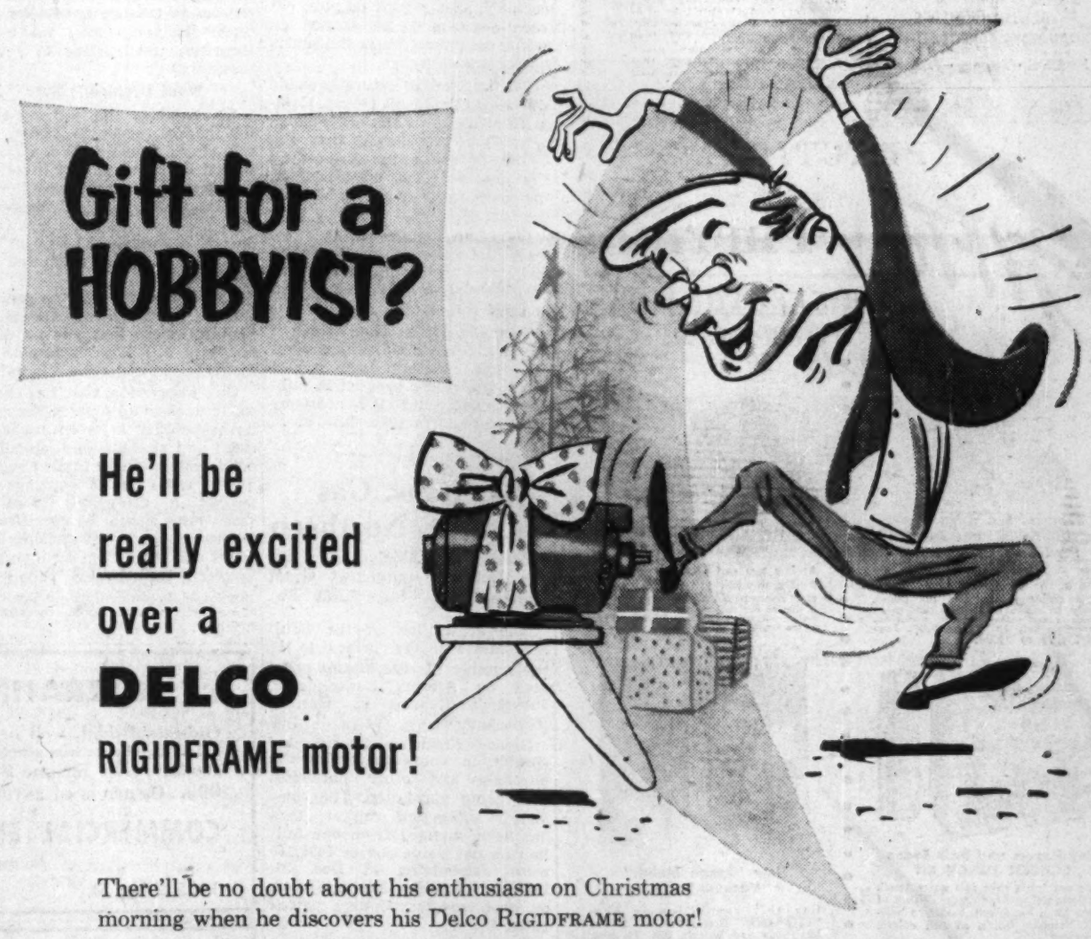
N.B. Moves Toward Pollution Control

From Our Own Correspondent

FREDERICTON—Aware of an attendant danger of steam pollution in future industrial development and suburban growth along New Brunswick's rivers, Premier Flemming's administration is tackling the question of water control on a provincial level.

As an initial step, Cabinet authorization has been given to appoint an inter-departmental committee to make a survey and bring in recommendations relative to the need for control legislation, and appointment of a provincial water control board. Members of the committee are to be drawn from the health, lands and mines and industry and development departments and the New Brunswick Electric Power Commission.

The move was prompted by a report of the provincial sanitary engineer that while at present these watercourses may present no direct health hazard it was necessary for tourist and other reasons that some steps be taken immediately.



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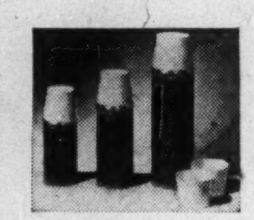

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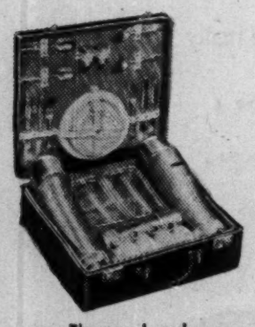

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There's no gift problem when you decide on smart, practical, Thermos brand vacuum ware. Keeps things *piping hot* or *icy cold* for many hours. See the Thermos display at your dealers now.

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Thermos (1925) Limited, London, England. 953

KEEPS THINGS HOT OR KEEPS THINGS COLD

Investments This Week

By PAUL DEACON

Dividend Barometer Rising?

About Money Return and How the Investors See It

Recent dividend action of some companies strikes a note of optimism that wasn't quite as loud earlier this year.

Dividend payments in the first 11 months were at about the same level as a year ago, and while the total declarations for December so far are not equal to what was actually paid in December, a year ago, by the time all have been announced, the final year's figures should be about on a par with record 1952.

Among 54 stocks on which dividends declared payable this December differed from those of a year ago, 31 will bring their owners a larger return, 23 a lower return.

This tally in favor of higher declarations — many of them through last quarter extras — probably reflects a more optimistic attitude on the part of management toward the immediate outlook.

It also may be due to better results than had been anticipated earlier in the year.

The reasons for the dividend action taken vary greatly with each company. The direction of total dividend payments, however, gives some indication of management thinking.

Many investors today are hoping that companies will increase, or at least maintain, the level of dividend payments, despite evidence that there may be some drop in business activity and in earnings next year.

Capital Spending

Their reasoning is that many companies have completed a good part of their postwar capital expenditure programs. They were willing to see a large part of postwar earnings reinvested in modernization and expansion projects, in the belief that such a policy would improve the earnings position later. Now they want to see some benefit from their earlier forbearance.

Of course, the proportion of earnings that should be paid out each year is a percentage on which the management and shareholders rarely agree.

The shareholder naturally would like to maximize his return. Company officials, on the other hand, often take the view that the health of the company is their first consideration. What benefits the company, they argue, benefits the shareholders.

Investors go along with the latter argument to a point. But in the main, they are inclined to place the emphasis on dividend return in their choice of securities.

To make profits from which it can pay these dividends, a company must perform some service or produce some product in public demand. But the company would not have been formed in the first place if it were thought likely to be unprofitable or unproductive of dividends.

As some authorities have pointed out, too conservative a policy on dividends may result in too low a return (in relation to earnings) for shareholders, both currently and ultimately. Saving up profits for a rainy day, they point out, has in many cases failed to safeguard even a moderate dividend rate when the rainy day actually arrived.

Interests Vary

They go on to demonstrate that the interests of the company and its shareholders are not necessarily the same.

A healthy cash position simplifies the directors' managerial job. It may also make possible higher salaries for management. Dividends that would be welcomed by small shareholders may disappear in taxes for large stockholders in the upper income tax brackets.

Keeping too much of the earnings in the business may also encourage unwise expansion, it's contended.

On the other hand, directors are faced with difficult decisions on various counts in connection with their dividend policy. Some of them:

—The high replacement cost of present equipment means extra care must be taken to make sure funds are available to keep plant efficient and up to date. Depreciation reserves are seldom sufficient to cover replacement cost, and earnings must be set aside or money borrowed for this purpose.

—Postwar modernization and expansion has increased debt for many companies and they are unwilling and sometimes unable to borrow more.

—Directors often feel that it's better to set the dividend rate at a level they think can be maintained, thus giving stockholders a better idea of the return they can expect. Too liberal a dividend policy indicates in many cases a not-too-dependable dividend rate.

—A growing company often has to depend largely on its own resources to finance expansion because its youth may make its securities unattractive to investors.

Want Dividends Now

On balance, the judgment of the market seems to favor the companies which follow a fairly liberal dividend policy. Investors are apparently more ready to risk having to do without dividends later if conditions fall off, than to do without dividends now in the uncertain prospect of better returns later.

This is undoubtedly too great a simplification (there are some popular stocks that pay no dividends at all) but it's something management must bear in mind.

One suggestion that has been made to clear up some of the misunderstanding between management and shareholders on dividend policy: where funds have to be set aside out of earnings to protect a company's position, these sums should be specifically labeled in the profit and loss account and should not be included in profit. But directors should be prepared to defend their position if called upon to do so by shareholders.

What's a reasonable proportion to withhold? The U. S. Government, in connection with tax legislation, put it at 30%. The average in 1952 of 301 companies studied by The Financial Post was 43%, compared with 48% in 1951. Investors are looking for an even lower share for most companies this year and next.

* * *

Household Finance Issue Expected Here Shortly

New financing in Canada by Household Finance Corp. of the U. S. is expected shortly. According to street reports, the issue will consist of $15 million 4¾% sinking fund debentures due Dec. 1, 1969 and callable at 107 till Nov. 30, 1956. Offering price is said to be par.

* * *

Bond Prices Higher; Mortgage Yields Off?

Bond prices, particularly municipal issues, have strengthened considerably recently. Yields on municipals are in many instances down as much as a quarter of a percentage point. Issues which sold on a 5% basis a couple of weeks ago are selling now on a 4.75%—4.80% basis now, and so on.

One effect, according to some sources, has been to increase interest of the institutional buyers in mortgages which lately have been yielding as much as 6½%. The thinking is that such a rate for mortgages won't last long if municipal and other bond yields stay down.

* * *

Company Offers Reflect New Legal Interpretation

The new interpretation of Section 124 procedure for acquiring minority shares of a company (The Financial Post, Nov. 14) is having an effect on current offers.

Canadian International Paper's offer last week to shareholders of Commercial Alcohols is open for four months, and is contingent upon acceptance by 90% of each class of shares. The recent Labatt offer to Shea's Winnipeg Brewery shareholders also left the offer open for a similar period.

The Supreme Court of Canada ruled in a recent case that a company making an offer to shareholders of another company must leave the offer open for four months right at the start or disqualify itself from proceedings under Section 124 of the Canadian Companies Act.

Alta. Cons. Gas Buys Gt. Northern

Alberta Consolidated Gas Utilities Ltd. has purchased Great Northern Gas Co., Sault Ste. Marie, Ont.

The acquisition of the Sault Ste. Marie utility brings to 14 the number of subsidiaries operated by Alberta Consolidated, President Charles E. Garnett points out.

Senior financing is expected shortly in connection with the purchase and other purchases now being negotiated. The company's authorized capital stock has been changed from one million no par value shares (598,540 were outstanding at Dec. 31, 1952) to 1.5 million shares, $1 par, by supplementary letters patent dated Oct. 9.

Great Northern Gas had previously been operated by North Continent Utilities Corp., Chicago, which has now divested itself of all its operating properties. Great Northern supplies Sault Ste. Marie and adjacent areas with manufactured gas, its original franchise having been obtained in 1923.

C.G.E. Increases Resin Capacity

The chemical materials section of Canadian General Electric Co., producers of glyptal alkyd resins, has started construction on a new 3,000 imperial gallon kettle at its Toronto Lansdowne Ave. plant.

The new unit, which will incorporate all of the newest engineering features, reflects rapid growth in this field and particularly the way paint manufacturers are converting their formulations to the advantages of tailored, synthetic protective resins. It will be of stainless steel.

Municipal Bonds

December 1, 1953

	Coup.	Matur.	Bid	Ask.	Yld.
	%		$	$	%
Calgary	3½	'69	88⅜	88⅞	4.50
Edmonton	3½	'69	86⅜	88⅜	4.50
Halifax	3½	'66	89	91	4.45
Hamilton	3	'67	86¼	88¼	4.15
Montreal	3	'70	82½	85	4.25
Moose Jaw	3½	'69	87½	89½	4.40
Ottawa	3¼	'68	88½	90½	4.15
Regina	3	'64	84¼	86¼	4.60
St. John	3½	'65	88½	90⅛	4.60
Toronto	3	'68	84¾	86¾	4.20
Vancouver	3¾	'69	89¾	91¾	4.50
Victoria	3¾	'68	88⅛	90⅛	4.60
Windsor	2¾	'75	69½	72½	4.55
Windsor	2½	'73	66½	69½	4.55
Windsor	3½	'75	79½	83	4.70
Winnipeg	3	'69	84⅜	86⅜	4.15

Eleven Pass IDAC Courses

Eleven more employees of investment firms have passed successfully courses run by the Investment Dealers' Association of Canada in its education program.

The list of successful candidates just issued supplements earlier lists made public by IDAC.

SUPPLEMENTARY LIST

Course II

W. W. Blake, James Richardson & Sons, Calgary.
W. A. Stewart, Midland Securities Corp., Toronto.

Course I

John R. Castle, Gairdner & Co., Toronto.
R. S. Ferguson, Midland Securities Corp., Toronto.
Nathan L. Green, C. J. Hodgson & Co., Montreal.
J. A. McDonald, J. P. Cannon & Co., Toronto.
J. C. Newman, James Richardson & Sons, Victoria.
E. B. Ruthven, Royal Securities Corp., Montreal.
Joseph E. Verbicky, Carlile & McCarthy, Edmonton.
Jack E. Webster, Molson Securities, Montreal.
George A. Wooten, A. E. Jukes & Co., Vancouver.

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A Cornerstone of British Columbia's Economy

British Columbia Electric Company Limited, with its subsidiaries, controls the most extensive system of public utility services in Western Canada.

Abundant electric power and other services provided by this system are essential to much of the current industrial expansion so important to the Province of British Columbia. We offer, as principals,

British Columbia Electric Company Limited

5% Cumulative Redeemable Preferred Shares

Par Value $50

Price: $48 per share, to yield 5.20%

These Preferred Shares provide an attractive public utility investment in one of British Columbia's basic industries.

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These debentures having been sold, this advertisement appears as a matter of record only.

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$1,500,000

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(Incorporated under the laws of Canada)

5% Serial and Sinking Fund Debentures Series C

Dated December 1, 1953 To mature December 1, 1954-60 inclusive and 1973

Trustee: The Canada Trust Company

The placement of this issue was arranged privately by the undersigned.

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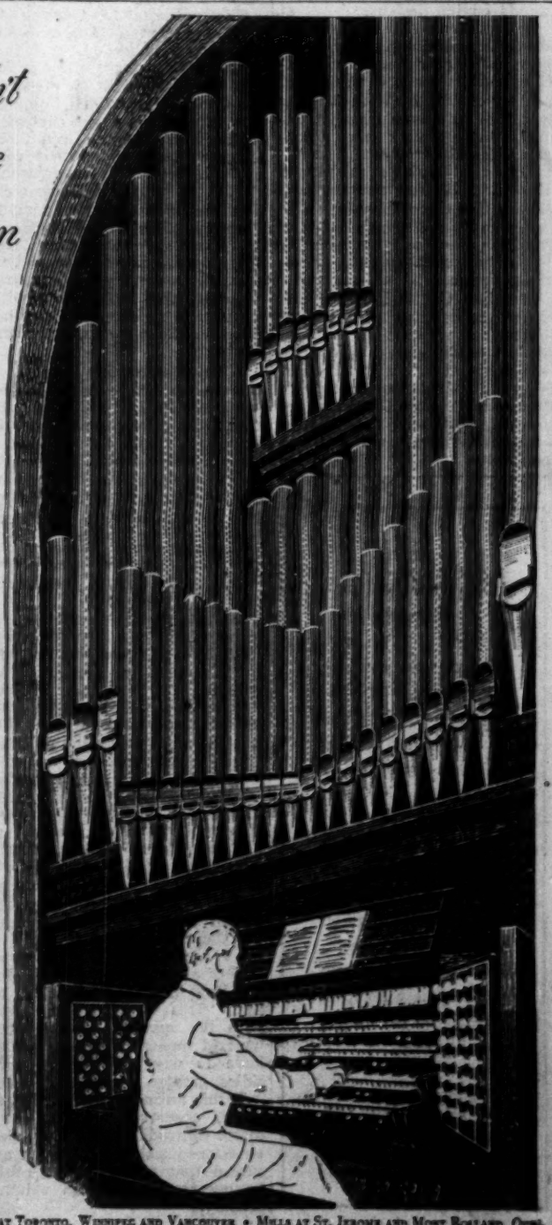
Cochran, Murray & Co. Limited

Midland Securities Corpn. Limited

Bach wouldn't sound the same on a barrel organ



TONE! Every business letter carries more than words. Inescapably it carries also something which words cannot say — overtones, subtle but potent. If your letter is sent on

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then it conveys an unspoken compliment to the recipient's appreciation for fine things, and an impression of your own good judgment. The appeal of a well designed letterhead on the finest paper is all the more powerful because it is to the subconscious, creating a permanent association with you and your firm. And since it costs so little extra, *specify* SUPERFINE LINEN RECORD to your printer, lithographer or engraver.

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MANAGED INVESTMENT

MacNab's Policy To Be More Aggressive In '54

A more constructive attitude toward the market, compared with the defensive position of the past two years, may be possible for the MacNab account during the coming year, MacNab's manager believes. Natural gas is Western Canada's great new industry, and the portfolio includes a number of stocks in public utilities which stand to benefit from the growth of this industry, says MacNab's manager.

An additional $200 of the new series of Canada Savings Bonds have been bought for the account, bringing total holdings of this issue to $500.

The MacNab Account Transaction

PURCHASED

Par Value	Security	Cost Price
$200	Can. Savings Bd. 3¾% 1965	$200

Note: Transaction made Nov. 26.

MacNab's Manager Says:

A valuation of the MacNab account at Nov. 16 indicates that the capital value of your securities totals $23,927.55, compared with $23,395.90 a month earlier.

Having established a defensive position in your account some two years ago, I believe I shall be able to resume a more constructive attitude toward the market during the next 12 months.

After completing a trip across the continent I am convinced that the tempo of modern business will surprise and confound many businessmen who are thinking in terms of horse-and-buggy days. So long as there are men of vision and industry, there is no room for talk of depression and fear, as I have heard in some quarters.

Our national economy is now slowing down to normal and I am convinced that we are in for a number of good years, provided our governments do not insist on defying the law of supply and demand. A greater danger seems to be the stupidity of the labor unions in insisting on higher and higher wages in almost every industry. We are now competing with a postwar Germany and a postwar Japan, two of the most highly industrialized exporting nations in the world.

Canada is going through a period of consolidation from a vast postwar boom, the most encouraging signs being the miles and miles of new subdivisions outside of our major cities like Montreal, Toronto, Vancouver, Winnipeg, Calgary, and Edmonton.

While we have surpluses in wheat, agricultural products and lumber, we are in a far stronger position economically to weather any storm ahead than ever before.

Natural gas is the great new industry of Western Canada and will, in time, change the whole concept of industrial and domestic fuel. I have already purchased for your account 50 International Utilities common and 50 Consumers' Gas, which companies, in my opinion, represent the best investment media in the natural gas industry available at this time.

International Utilities is a holding company which controls three operating utility companies in the province of Alberta. Principal subsidiaries are Canadian Western Natural Gas, serving Calgary and vicinity, and Northwestern Utilities, serving Edmonton and surrounding area. Both companies furnish natural gas for domestic and industrial consumption, and have their own gas reserves. The company also owns Canadian Utilities Ltd., serving central Alberta with electric light and power. Dividends are currently being paid at the rate of $1.40 per annum on International Utilities.

Consumers' Gas Co. of Toronto has a perpetual franchise to deliver gas for domestic consumption in the Toronto area. This franchise allows the company to earn 10% net on its investment and, for many years, the company paid $10 per share dividend on the old stock per $100 par value. The company has paid consecutive dividends for over 100 years.

Considerable speculative interest is attached to this stock due to the fact that the company has applied for a permit to import natural gas from the U. S. and to build a pipeline from the border to hook up with its domestic service in Toronto.

B. C. Power Corp., of which you hold 60 shares of the new common stock, will also stand to benefit if and when the export permit of West Coast Transmission Co. is approved by the Federal Power Commission. This company serves the lower mainland of British Columbia with natural gas through its subsidiaries.

In the month ended Nov. 15, investment income totaling $28.40 was received. After the usual monthly withdrawal of $40, the cash account was reduced by $11.60 to $45.50.

The MacNab Account Now Stands

No. of Shares		Cost per sh. $	*Market per sh. $
	Common Shares		
30	Bank of Nova Scotia	37	42
50	Brazilian Traction ...	12¼	9½
60	B. C. Power	16½	18
40	B. C. Telephone	33½	36½
60	CPR	17⅞	22¾
50	Consumers' Gas	15½	15¾
30	Distillers Corp.-Seag. .	27½	30
40	International Nickel .	33¼	38½
50	International Utilities	21½	27¼
10	Noranda Mines	68⅞	66
50	Powell River	26⅜	24⅝
20	H. Walker-G. & W. .	43½	49
	Preferred Stocks		
40	Abitibi P. & P. $1.50	25½	26
50	Acadia-Atlan. Sugar A	17¾	17¾
40	Imperial Tobacco 4%	23¼	24
	Government Bond		
$500	Can. Savings 3¾% '65	100	100
	Convertible Corporate Bonds		
$1,000	Abitibi P&P 4¼% '61	100	99½
$1,000	B. C. For. Pr. 5% 1962	100	98
$1,000	Braz. Tract. 4½% '71	98	84
$1,000	CPR 3½% 1968	100	94
$1,000	Cent. Leduc 5% 1965	101	88
$1,000	Dom. Sti. & C. 4% '61	100	93
$1,000	Dom. Textile 4% 1956	100	95
$1,000	West C. Brew. 5% '67	100¼	99
	Cash		$45.50
	Current market value of fund		$23,927.55
	Annual income		$1,362.25
	Average yield on original $10,000		12.62%

*Bid price Nov. 16, 1953.

TROIS RIVIERES, QUE. has sold $162,000 4% bonds due Nov. 1, 1954-58, and $543,000 4½% due 1964-69, to Casgrain & Co. at 99.14. Net cost 4.53%. Proceeds for waterworks, sewage and road works and to renew balances. Net funded debt at Dec. 31, 1952, $8,886,480. Population 54,000.

Quebec Judgment Upheld In Match Combine Appeal

MONTREAL (Staff)—The 1953 judgment convicting five Canadian match companies of forming and operating a combine was upheld this week in Quebec Court of Appeals.

Mr. Justice Paul Casey rendered the Appeal Court's ruling and confirmed the fines totaling $85,000 which had been levied against the companies. The five firms were: Eddy Match Co., Commonwealth Match Co., Canada Match Co., Federal Match Ltd. and Valcourt Co.

Counsel for the companies had claimed that a combination cannot be found to be a combine within the meaning of the Combines Investigation Act unless there is evidence of detriment to the public. This week's ruling, however, indicated that where competition is not present there is automatic detriment to the public in the official view.

Judge Casey said that "the companies concede that the policy of the law has been stated by the Supreme Court of Canada to be the preservation of free competition.

"I do not quarrel with this statement but, in dealing with a problem such as the present one, I prefer to take as a starting point the fundamental principle that everyone is entitled to the benefits that flow from free competition. From this it follows that anything which limits or restricts this freedom of competition is an encroachment on the public right.

Competition Extended

"What we have here is the control of a class of business which, as revealed by the evidence, excluded, for all practical purposes, the possibility of any competition. Such a condition creates a presumption that the public is being deprived of all the benefits of free competition and this deprivation, being the negative of the public right, is necessarily to the detriment or against the interest of the public."

He admitted that some controls might, in exceptional circumstances be more advantageous to the public than if the business had been left free.

"But," he continued, "when faced with facts which disclose the systematic elimination of competition, the presumption becomes violent. The burden of showing absence of detriment must surely rest on the shoulders of those against whom the presumption plays. Appellants have made no defense and there is nothing in the record which comes to their aid."

"In this case there is more than the simple fact that appellants had complete control of the class of business in which they were engaged. Here is uncontradicted evidence that the leading actor, Eddy Match, deliberately set out to eliminate competition as it arose; that because of its strength and resources it was able to do so; that each new subsidiary was given its role and played its part in the general plan and finally that the five companies, all competition eliminated, were able to give to the public the products they chose to make available at the price they chose to fix and through channels they chose to use."

Fairb'ks-Morse Sales Rising

MONTREAL (Staff)—To cope with a marked expansion of business and operations across Canada, Canadian Fairbanks-Morse Ltd., Montreal, will build a new branch at London, Ont., and possibly later expand into Newfoundland.

The newest addition to the company's 15 branches across the country will consist of a large warehouse and sales office and will be completed by next summer. No detailed plans have yet been announced regarding the proposed Newfoundland operation.

Executive vice-president G. R. Wyer told The Post that 1954 is expected to be a good year and that the company's sales staff is being expanded to meet the anticipated sales increase. The company's industrial sales are now six times those of 1939. Earlier this year (The Financial Post July, 25, 1953) sales were reported running on a par with those of 1952, the best in the company's history.

RALPH P. BELL

formerly president of National Sea Products Ltd., Halifax, has been appointed a director, Halifax Insurance Co.

$366,152.00
TOWN OF PORT COLBORNE
4½% COUPON DEBENTURES

Sealed tenders, endorsed tenders for Town of Port Colborne Debentures, will be received by the undersigned until 12 o'clock noon, Saturday, 12th December, 1953, for the purchase of the following debentures.

Serial Debentures
Addition to
Port Colborne High School
4½% Coupons 1-20 Years
Debentures dated December 1st, 1953

All debentures callable on thirty days' notice.

Coupons will be attached for payment of interest at the rates mentioned above, payable half-yearly.

Debentures will be issued in denominations to suit purchaser.

Debentures will be payable as to principal and interest at the Imperial Bank of Canada, Port Colborne, Toronto and Montreal.

Kindly express amount of tender in dollars and cents and also price per hundred.

The right is reserved to reject any or all proposals.

Payment for delivery of debentures to be made in Port Colborne, Ontario.

Town Hall, Port Colborne, Ont.
November 12th, 1953.

DOUGLAS M. PEART,
Treasurer
Town of Port Colborne

HENRY G. DEVITT F.S.A.

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The Promenade Music Centre

Bathurst Net Up in 3rd Qtr.

MONTREAL (Staff) — Estimated net profit of Bathurst Power & Paper Co. for the first nine months of 1953 totaled $1,315,071, down 7.4% from $1,419,031 in the same period of last year. This decline was due entirely to first quarter results, however, as estimated net for the second quarter alone rose to $511,200 ($392,923 a year earlier) and for the third quarter to $526,434 ($390,648).

Net earnings for the nine-month period are estimated at $3,515,474 ($4,146,395 same 1952 period). Provision for depreciation and depletion was somewhat higher at $867,895 ($783,948), while reserve for estimated income taxes dropped to $1,382,509 ($1,943,416).

Current assets at Sept. 30, 1953 totaled $16,549,661, including cash and marketable securities of $8,077,838. Current liabilities amounted to $3,097,943.

IBERVILLE, QUE. School Commission has sold $276,000 4% bonds due Dec. 1, 1954-73 to Credit Interprovincial Ltd. at 96.19. Net cost 4.58%. Proceeds for enlargement of school. Provincial grant of $158,250 payable in eight annual installments. Net funded debt at June 30, 1953, $335,000; population 5,400.

GOVERNMENT AND MUNICIPAL BONDS

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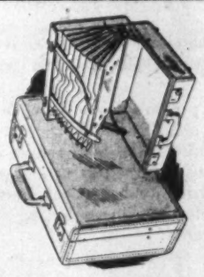

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Growing industrial companies require long term funds for plant expansion and working capital.

Our organization is experienced in obtaining capital for growing industries and in setting up and underwriting bond and stock issues. We would be glad to discuss your capital requirements with you at your convenience.

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Somebody Gets Hurt

The Canadian Government is worried over Washington's plans for disposal of so-called surplus farm stocks. Well it might be, for we have some big accumulations of our own to sell. Before these two disposal jobs are over we will be lucky if a few national headaches are the only discomforts suffered. Both Washington and Ottawa are beginning to realize that it is much easier to get into state marketing than to get out.

Without making much dint yet in its huge and embarrassing stockpiles, Washington has been trying to unload by giving produce away as famine-relief and by selling at low prices for soft currencies. In this way and with the co-operation of buying governments, it has fervent hopes that its disposal program will not interfere with normal trade.

But that is simply impossible.

Take the recent sale of $20 millions worth of tobacco to Britain. London announces that this will go into building up stocks in manufacturers' hands and will not be used for current use. But that does not make any difference.

Normally tobacco is bought well ahead of actual consumption as it has to age in storage. This $20 millions worth of American tobacco will take the place of $20 millions of tobacco the United Kingdom might have bought from Canada or some other country.

Even the give-away stocks will interfere with normal marketing somewhere. Somebody's market is going to be upset and somebody is going to start complaining about dumping. Already there have been protests to Washington from Denmark, Australia and New Zealand. The only way the United States or Canada could really get rid of these surpluses without interfering with trade would be to set a match to them. And surely we have outgrown such foolishness as that.

On this continent we might as well realize that we have a real selling job to do with wheat, feed grains, pork, cotton, tobacco and a lot of other things a benevolent government has been taking off domestic markets every time the price has threatened to move down to realistic levels.

There is the real reason for the jam we are in today.

The Face in the Mirror

"Should you decide to chance your luck in this bright new land, remember that it is different, not quite alien, but yet quite independent of Britain, tied to her only by sentiment and ancient kinship."

Thus a writer in the British magazine "Picture Post" advises his countrymen. He says some pleasant things about Canada, refers to the feeling of "taking part in a great adventure." He says we aren't like Americans, and pays tribute to the power of our way of life because Britons out here, he says, are hard to find; "They turn into Canadians that easily."

But he also lists some things the immigrant from the Old Country will miss, "things you might find hard to put a name to." In his kindly comments, he's touched some of our national weak spots.

This is what he says:

"It is not that Canadians are cultural barbarians, as the snobbish might infer. There is probably as much, or more 'culture' in the shape of orchestras, symphonies, ballet companies, libraries, and art galleries in the great cities as there is in most of provincial Britain, if not in London itself. The lack — and many Canadians recognize it — is rather in the simpler graces of everyday living we know on our side of the Atlantic — the friendly policeman, the humorous bus conductor, the local pub, the 'characters'. This (Canada) is a land of busy, busy people all, at first glance, seeming very much wrapped up in themselves, pursuing the dollar as if it alone was the key to happiness."

Well, we are pretty busy building this land of ours, hence, the worth of such comment from a friend.

The Triumph

The miserable business of unearthing the past of the late Harry Dexter White has brought a better understanding of what this country stands for, both for Canadians and for the world.

There was the triumph of the united front against the U. S. interference in our affairs, and over that country's witch-hunting methods. It was also a triumph for Mr. Pearson who was firmly supported by all opposition leaders, and almost to a man, by 15 million Canadians.

In time of war, a country unites and acts together. The victories are very tangible ones, counted in miles gained, ships sunk and planes shot down. But in time of peace, the unity is not so easily found. The goals cannot be seen. They are in the recesses of reason in men's minds. The issues are not the live-or-die type.

Yet these victories are important in inching ahead and protecting the rights of the individual and on balance, are the real gains of mankind.

In the recent uproar, Canada was being watched by all the world, waiting to see if we would, in any way, bow to and endorse or even passively accept, the trial by klieg light methods of the American investigators.

We didn't.

Canadianism has always meant something. But today it is a bigger thing, and means more, than ever before.

And all the world is better for it.

One Third "Colored" White

The Queen's tour, triumphant as it may be, has also pointed up some ugly vestiges of colonialism, which are working in exactly the opposite direction to most of the forces at work in our Commonwealth.

The most startling case was in Bermuda, where 60% of the population is colored, but only whites attended the state dinner.

Someone must have forgotten that it's no longer a white man's world — if it ever were.

In Canada, there is no color problem. And, although we might like to think otherwise, the main reason is because we have hardly any colored people.

The years have brought improvements in the relationships of the colors. But most of us still have a long way to go to catch up with the realities of today's world where less than one third of the people is "colored" white.

Why This Double Taxation?

There seems to be little reason for Mr. Duplessis to refuse Quebec universities the right to collect grants from the Federal Government.

The premier of Quebec is perfectly within his powers in talking about the proper role of various levels of government, and to have a Royal Commission hearing briefs on constitutional issues.

But as McGill University's brief pointed out, no strings are tied to the federal grants. Accepting them presents no challenge to provincial autonomy in education.

The universities need the money. McGill this year alone, loses some $625,000 in the grants Duplessis won't let it take. If Quebec colleges don't receive more money they will fall behind those elsewhere in Canada.

If Mr. Duplessis still believes the universities of his province should not accept federal money, is he prepared to make up the difference in larger provincial grants?

Perhaps that is his plan. When the Quebec Legislature opened the Speech from the Throne said that primary, secondary, specialized and university education would receive "very special attention" and the Government is "extremely anxious to extend to them the fullest measure of financial assistance reasonably possible."

But wouldn't it be easier to let the universities accept the federal aid with no strings attached?

Is Mr. Duplessis prepared to tell the people of Quebec that they must be taxed twice to help support the universities of their province, once as citizens supporting federal university grants (accepted in all provinces but Quebec) and once again as residents of Quebec, supporting alternative provincial grants?

What's Wrong With This Trade?

In Senator McCarthy's latest blast against the British for trading with China he overlooks the fact that every other Western country with the partial exception of the United States itself, is also doing it.

There was some emotional appeal in the claim that the West should break off all trade with China, while fighting was actually going on in adjacent Korea. But the case against a complete embargo, even during the fighting, was that it would have been practically impossible to enforce, militarily ineffective and politically undesirable.

The case can be argued on all three grounds. But there is no doubt that the weight of informed opinion in the free countries upholds all three points of it. In Washington itself expert opinion largely agreed with its allies; and the steps taken by the United States to stop exports to China derived from political pressure rather than governmental conviction.

The U. S. has never tried to stop imports from China. Last year, the U. S. imported $29 millions from there. It could well be argued that Peking gets more help from dollar exports than from sterling imports.

What the free world has applied to China, as to other communist countries, is a selective list of export bans applying to goods considered to be strategic. The goods regarded as coming into this category have been decided by an international committee of 15 nations which has been meeting in Paris for this purpose since 1949. All the evidence available is that strategic embargo, recommended by a vote of the United Nations, and agreed internationally, has been applied strictly and with considerable efficiency considering all the difficulties.

There is therefore no case for accusing Britain or Canada or France or any other of the Western powers for failing to carry out its obligations in this matter. The only argument is whether Senator McCarthy is right in thinking there should have been an embargo on all trade; or whether the overwhelming consensus of the free world governments is right. The reliability of the witnesses on the two sides scarcely permits much doubt about who is right.

A Dish For Every Day

Restaurants have been serving better quality food, claims C. H. Millbourn, president of the Canadian Restaurant Association. "There is no substitute for good food, and travelers will remember the good meals they had long after the other aspects of their trip are forgotten."

And of course, they remember the bad ones too.

There's scarcely a highway in the country where the traveler hasn't written indelibly on his mind, "Keep away from that place."

Sameness of the menu is however, a common curse. In many restaurants, it's no guessing game to name the first four items offered. There's a dish for every day and they serve it everyday.

Whatever improvement Millbourn's association is able to encourage, will be welcome indeed.

Insulting Their Best Friend

Out of the recent effort to drag Canadians into the Washington circus at least some good has come. This is the realization on the part of sober Americans that Canadian goodwill is important.

In one of her widely syndicated columns this week Dorothy Thompson discusses Canada's refusal to turn over Gouzenko. Miss Thompson concludes with this:

"The Canadian Government, and the Canadian people, have, I think, a considerably stronger sense of proprieties than the Americans. They are the best friends we have in the world, bar none. It is important to keep and increase their esteem and co-operation. This incident has had the opposite effect."

We can hardly hope that this plain truth will have much impression on people like Jenner and McCarthy. But coming from one of their own citizens this advice should make responsible Americans ponder.

Napier Moore's

Scratch Pad

IT WAS NOT without a tinge of emotion that we read that at the year's end S. Morgan Powell will retire as literary and dramatic editor of the Montreal Star. Neither the Star nor Montreal will seem quite the same to us, and a host of stage folk are going to feel the same way.

Just how old Morgan is (he's known to every newspaperman as Morgan) nobody seems to know. The 1951 Canadian Who's Who we have doesn't help, because it says:

Morgan-Powell, Samuel. journalist b. B.S.A., D.V.M. agronomist, b. Saint Célestin,

and follows with a description of some entirely different person.

But we do know that Morgan went to the Star in 1908; that for four years prior to that he was first on the old Montreal Witness and then on the Herald. He came to Quebec from British Guiana, where he was sub-editor of the Demerara Chronicle. And before that he was a roving correspondent in Europe, Africa and South America following service with several English newspapers.

We first met Morgan Powell in 1916 when we went from the Montreal Mail to the Star. In addition to being the paper's dramatic critic and book reviewer, he was also foreign news editor. We were to be his assistant. Within five minutes of our arrival we had a wordy battle over whether an open window through which a winter gale was blowing should remain open or be closed. It was a monumental battle which sent shivers down the spines of the ladies of the Family Herald who worked on the other side of a partition. At its height, the choleric Morgan took his gold-rimmed pince-nez and hurled them against a far brick wall. They bounced onto the floor but didn't break. They never did break though they were frequently hurled at the wall. The storm having subsided, Morgan took us out to lunch, and from that time on we were staunch friends.

Even in the days when he was famous for his explosions Morgan Powell had a heart as big as a cabbage. His kindness to show people who were having tough luck, his encouragement of young writers, are remembered all over this continent. Always a prodigious worker, we don't imagine for a moment that Morgan will be content to bask in leisure, but we wish him a long and happy retirement.

* * *

PETER NEWMAN, a colleague in The Post's Montreal office, who has frequently supplied us with jokes which have crept under the Iron Curtain, adds this one to the collection.

A group of high Soviet officials were eating dinner when one of them found a piece of rubber tire in his soup. He was just about to blurt out his indignation when he noticed an M.V.D. agent watching him closely. To cover his "mistake," he got up, waved the piece of tire, and exclaimed, "A sure sign of progress, Comrades. We seized power only 35 years ago, and already the automobile has replaced the horse."

* * *

CANADIAN TEACHERS who complain about their low salaries will be interested in a brief submitted to the New Brunswick Government by Sacred Heart University, Bathurst, N. B.

This institution is seeking financial aid from the province for the establishment of a mining faculty to enable the youth of the area to partake in it's current mining boom. In the brief, the University lists the salaries of its 39-member staff. The 16 lay teachers get an average of $2,000 a year. But the 23 other members of the faculty, all priests, get exactly $5 a month. The brief explains: "Until two years ago, the allowance was 50 cents a month. It was increased to its present level after the price of a hair-cut jumped to 65 cents."

* * *

UNLESS OUR MEMORY is doing us dirt, some time ago the Associated Press, U. S. news service, hired Rudolph Flesch, author of the Art of Plain Talk, to study its reports and make recommendations as to simplification of writing to increase readership.

The other day, the A. P. sent out a story about a survey of the pet population of the U. S. It contained a sentence which ought to bring Dr. Flesch back at the double. It read: "Cats outnumber dogs by 26,700,000 to 22,600,000. But it's just that more people have fewer dogs, while less people have more cats."

* * *

ARNOLD HECKLE, U. K. Trade Commissioner in Montreal, speaking to the Sherbrooke, P. Q. Chamber of Commerce, mentioned the vast improvement in Britain's position since the bleak days of 1945, when many international observers, described as "Weary Willies" were sure John Bull was finished. It reminded him of the young lady who wrote to a U. K. information office at that time, saying, "I am preparing a thesis on the economic and political collapse of Britain. Would you please send me official pamphlets on this subject?"

Stop Me If

A woman with more money than knowledge decided to purchase some antiques. The dealer showed her a beautiful vase, explaining, "This vase is over 2,000 years old, ma'am." "Don't try to pull that stuff on me," snapped the belligerent customer. "It's only 1953 now."

* * *

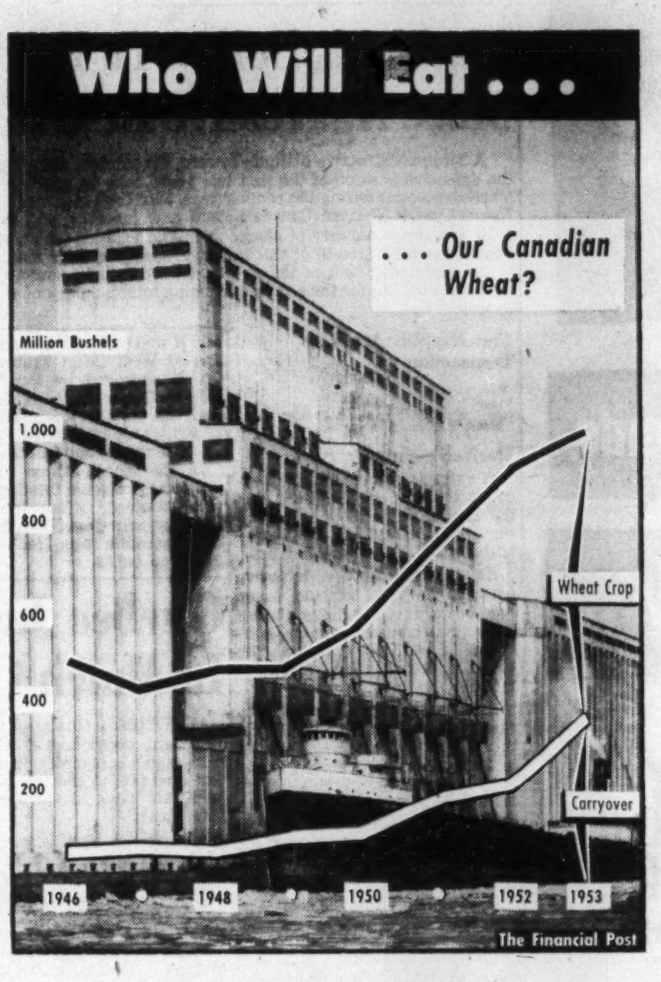
They sat in the gloaming.

"Just one," he pleaded.

"No, certainly not," she replied.

"Please, darling," he persisted.

"Don't ask me again," she insisted. "I've only one left, and I want to smoke that on my way to the office in the morning."



Post Scripts

Newfoundland Educationist

"This university can never be a big one, but it can become a great one in several fields, particularly in fisheries," says Raymond Gushue, Q.C., C.B.E., L.L.D., president of the Memorial University of Newfoundland.

MR. GUSHUE

The Memorial University of Newfoundland came into being in 1949, and since then has been laying the groundwork necessary for it to take a more important part in the development of Newfoundland through extension courses and expansion and improvement of its normal university curriculum.

Leading the way in this expansion is its president, Ray Gushue, 53, appointed to that position last year after a distinguished career in the fisheries of Newfoundland and the world. Gushue was born in the Newfoundland settlement of Whitbourne. He was educated in St. John's grade and high schools, went on to study law at Dalhousie University, Halifax, where he won the University Gold Medal. (This Medal is not given every year, has been awarded four times in the last 25 years, each time to a Newfoundlander.)

Graduating in 1925, Gushue went into law practice in Newfoundland until 1936, when he was appointed head of the newly formed Newfoundland Fisheries Board, charged with the task of creating order out of the chaos in Newfoundland fisheries caused by the great depression.

In his new job Gushue, as this year's university sessions opened, was up to his eyes in a major project of building a new university to take the place of the old. The buildings on Parade Street in St. John's are not big enough to accommodate present students, let alone permit expansion. So plans are now being drawn for four new buildings in a 130 acre site just northwest of St. John's. Initial construction will probably begin next spring.

Besides building a new university physically, Gushue is also planning a new university from the academic point of view.

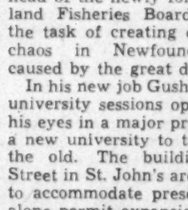
All this leaves little time for Gushue's family and his hobbies of poetry and photography, but he doesn't mind. He's aiming at a New Newfoundland, where lack of education will no longer be the great drawback it has been in the past.

* * *

Hamilton the Hinge

"Hamilton," says Kenneth S. Ford, "is the hinge of a golden triangle that swings around Lake Ontario from Oshawa to St. Catharines."

As the city's towering new industrial commissioner he'll have a lot to do with shining that hinge in the years to come.



MR. FORD

Ford was born in Winnipeg 42 years ago when his father, Arthur Ford (now editor of the London Free Press) was working on the Winnipeg Telegram. After an Arts degree at University of Toronto he went to work for the Winnipeg Tribune, then moved to Toronto and the Globe and Mail. Twelve years ago he became Hamilton staff reporter for the G & M, and in 1948 joined a public relations firm.

Mrs. Ford, the former Mary Rathgeber, is from Winnipeg too. They have three daughters, from 16 months to 11 years.

Ford has been active in Hamilton community life, Kinsmen, Easter Seal Committee, Cerebral Palsy Centre and Centenary United Church. Like his father, who has helped stir up interest in Western Ontario's early days, he is very curious about local history, and likes to spend hours and hours reading it. His brother Robert is Canada's chargé d'affaires at Moscow, and brother Gordon a Toronto lawyer.

* * *

Blue Bombers Seedsman

Winnipeg born and raised Barry Bain is the new president of the Canadian Seed Trade Association, an international organization of about 100 leading seed dealers and processors covering both Canada and the northern and western United States.

In his early fifties, Bain was educated in Winnipeg and most of his business life has been spent in the grain and seed business. Currently he is manager of Northern Canadian Seed Sales Ltd., a subsidiary of the Alberta and Saskatchewan Seed Growers Associations as well as the Manitoba Pool Elevators of which he was treasurer before taking his present position in 1950.

MR. BAIN

Broad shouldered and tall, Bain retains the athletic figure developed in his earlier days. He was one of a small group of Winnipeg citizens which lifted rugby football by its tattered bootstraps back in the days when 50 to 100 people was an average crowd to see a game. Exactly 20 years ago he was president of the Winnipeg Blue Bombers Rugby Football Club and is now an honorary life member.

In the athletic field Bain has had an equally successful fling in hockey and rowing both as a participant and in encouraging others to take them up. He helped organize the Grain Exchange Hockey Club which he captained in 1923. The club changed its name to the Winnipegs and went on to win the Allan Cup. He was one of the founders of the Excelsior Hockey Club in which only midget and bantam weight players were eligible and directed it for several years. As a member of the Winnipeg Rowing Club he took part in a long series of international regattas, won several championships, and was one of the senior eight which won a Northwestern title. He is still a fancy trap and skeet marksman and in 1947 was president of the Greater Winnipeg Game and Fish Association.

After his high school graduation in 1916 Bain started his first pay job with a commission and elevator firm. He quit in 1918 to join the Royal Canadian Air Force, was demobilized about a year after, and embarked on a banking career as a junior in the Bank of Montreal. Two years later he went back to the grain business as a buyer and manager of a country elevator at Vulcan, Alberta.

When he joined the staff of Manitoba Pool Elevators in 1924 as a clerk, western farmers had well entrenched the co-operative system of marketing their own product. In the early 1930's the pools had difficulties but governments of the three western provinces came to their rescue by guarantees of their financial commitments to the banks. At this time Bain was both chief accountant and office manager. In 1941 he was appointed treasurer, perhaps the most onerous of all his jobs because Manitoba Pool Elevators operate almost 300 country elevators and four big terminals.

Like most western grain organizations, Manitoba Pool Elevators have in recent years also become interested in the handling of seed, alfalfa, grain, clovers and grasses. It was to that important and growing branch of the business that Bain switched three years ago.

What Others Are Saying

Editorial of the Week

Forgotten How To Strive?

The Rural Scene, Midland, Ont.

A myth of native Canadian superiority has vanished like a morning mist in the sun of reality.

An unfounded belief that nature had endowed those born in Canada with a superior wisdom to match their rich resources has been shattered by the achievements of new Canadians in all parts of Canada.

The delusion that natural or personal wealth connotes superior qualities of mind or character leads nature's beneficiaries everywhere to take it easy and to do less than their best.

On the contrary, difficulties overcome determine the quality of individuals and peoples.

Most new Canadians come from lands that have known struggle for centuries. Their peoples know, as Canada's pioneers knew, what many of us have forgotten, that true success is a byproduct of striving.

All Canadians, native and new, may live happily together if each realizes that there is no royal or inherited road to individual happiness and common good.

Other People's Views

IN PROVINCIAL capital buildings, thinks the **Sydney Post-Record**, those of the Maritimes are much less pretentious than at Winnipeg, Regina and Edmonton, but they do have a simple dignity and a wealth of historical association to win a becoming pride and stir patriotic sentiment."

IT WOULD BE IMPOSSIBLE for anyone who has seen the Queen to identify her from what appears on our Canadian stamps, declares the **Brantford Expositor.** "With the money and facilities at its disposal, the department of government directly concerned can offer no excuse that will stand examination."

THERE'S NOTHING WRONG with the rules of hockey, declares the **Cornwall Standard-Freeholder.** "We think that instead of monkeying with the rules of play, the people in charge of hockey should pay more attention to the rules of conduct of team managers and coaches. A club official who is even slightly guilty of stirring up bad blood between two clubs, particularly on the junior level or below, should be asked to make room for someone with a saner head on his shoulders."

THESE PEOPLE who rush into print every time there is a spell of warm weather and suggest that nature has been fooled, weary the **Montreal Star.** "For our part we refuse to take any stock in these dark forebodings. Having had much experience of the Canadian winter at its (normal) worst, we are prepared for anything. We observe moreover that the plant life of the country is equally armed and equally hard to fool. Let the experts wail. We know where a lot of tulips and daffodils and things are tucked up for the winter, and if any freak fine weather can coax them up or induce some sound-asleep elms to wake up now and stretch as they will be doing five or six weary months from now we'd be vastly amazed."

WESTERN FARMERS are not impoverished, declares the **Windsor Star.** "This year Western farmers will have received a record $1,104,000,000 for wheat, oats and barley sold during the year. That doesn't denote poverty or need for loans. Next year, if prices be maintained, should also be a good one. But, instead of getting the bulk of their income in a couple of months this autumn, it will be spread out. If Western farmers were impoverished, it would be right to have cash advances made by the Government on the security of the grain. But it doesn't add up that advances should be given to people who already have plenty of money or, where they haven't, should be able to raise it through other media."

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December 5, 1953

Whipping The Best Cure For Young Criminals?

The Question: An Ontario magistrate says whipping is the best treatment for youthful criminals. Your view?

Whipping as a punishment for youthful criminals gets the majority nod from respondents to this week's Question by The Post. But nearly all qualify their approval with the suggestion that such punishment be reserved for crimes where violence is involved. It's also suggested that the decision whether to whip or not should not be one for a magistrate alone.

Against whipping, the view is advanced that corporal punishment does not have the support of experienced international penologists, it has been banned in most European countries and generally has been proven to harden rather than correct.

A. E. CAMERON, President, Nova Scotia Technical College, Halifax.

Generalization is always dangerous. The term youthful criminal must be defined before comment is justified. Each criminal action is an individual action and must be treated as an individual case. Undoubtedly, early family and school discipline is an essential ingredient of good citizenship and the verses of chapters 22 and 23 of the Book of Proverbs dealing with child discipline carry more than one element of truth.

* * *

F. M. CAIRNS, Vice-Chairman, Niagara Parks Commission, Niagara Falls.

I do believe whipping to be the most effective treatment for youthful criminals who commit crimes that are generally referred to by society as wanton, ruthless, disgraceful and disgusting but I would not recommend whipping for all cases.

Some youthful criminals respond favorably to sympathy and kindness, while others are only encouraged by such treatment and therefore drastic methods of punishment are imperative. Again, the youth receiving drastic punishment may seek ways and means to get revenge. Hence the necessity of appointing judges who possess unusual wisdom in regard to youthful delinquency.

* * *

H. G. CHRISTIE, Editor, Telegraph-Journal, Saint John.

Presume the reference is to boys only; if so, I agree with the magistrate. Naturally, it is understood that whipping should be such as not to inflict lasting physical injury. The cane, birch or strap, properly applied in appropriate cases, provide a shock of pain that reminds a boy in danger of thinking he can pit himself against authority that he cannot do so without consequences unpleasant to himself. They also diminish self-conceit. Whipping is particularly salutary in cases of cruelty and violence though my schoolmasters were convinced that a false quantity in Latin deserved the cane and I agree that it discouraged a careless approach to that subject or others.

* * *

HENRY DOLISLE, President and General Manager, Canadian Liquid Air Co.

I do not believe the proposed treatment is adequate to correct youngsters' deliquency. Re-education alone can achieve best results. Youngsters become criminals generally either because of bad examples given by parents or lack of interest from parents in rearing children with a minimum of moral principles. It is better to try to build up ideals with durable effect than use bodily punishment resulting in hatred for society and its institutions.

* * *

G. M. DROVER, Chairman, Provincial Loan Board, St. John's, Nfld.

No reasonable person nowadays would agree that whipping is the best treatment for youthful criminals. In a few cases, treatment might include corporal punishment but the decision should be left to people more qualified than magistrates.

In Newfoundland, we don't have criminals, youthful or otherwise. Years ago they used to beat up or kill off the few wayward ones or else they escaped to the mainland. In more advanced times, the trouble is patiently traced backwards and very often the whip combined with poverty provides the answer. If the whip must be used, try it out on the patients.

* * *

J. A. EDMISON, Q. C., Director, American Prison Ass'n., Kingston.

When the magistrate advocates whipping he will have no support from any penologist of international standing. Corporal punishment is no longer inflicted by the courts in Britain, Scandinavia, or other democratic countries in Europe. It is banned in the U. S., except in two or three states well known for their backwardness in other matters. If physical punishment were reformative it should already have been effective, since I am sure that most of the good magistrates' candidates for same have been cuffed and flogged for years in their own homes.

* * *

C. S. GLASSCO, Vice-President & General Manager, Appleford Paper Products Ltd.

Although the thought of corporal punishment is distasteful to all but the sadistic-minded, it can be a very potent deterrent for youthful criminals. Many a potential criminal might well think twice before breaking the law if he knew that the penalty for his offense would be a whipping. Even hardened lawbreakers have a healthy respect for physical punishment. Properly controlled, this type of punishment has a place in the administration of justice in our country.

* * *

E. C. GUILLET, Author, Famous Canadian Trials, Toronto.

While in general opposed to corporal punishment, I believe an exception should be made in cases of a brutal or sadistic nature. In crimes where juveniles or adults use torture, or are found guilty of rape or any other type of assault, their punishment should include whipping or the infliction of some other form of physical pain which will impress upon them the undesirability of their conduct and the suffering they have caused. I favor the formation of boards in various parts of Canada whose duty would be to pass upon and regulate sentences of corporal punishment. Those whose offences are judged to be a result of physical or mental illness should not be punished other than by confinement until a cure is effected.

* * *

A. S. HANNA, Editor, Gazette, Almonte, Ont.

A good strapping is the best way of punishing these teen-age delinquents. The upsurge of juvenile crime shows that mild methods of reasoning with young rascals is ineffective. They don't think anything about inflicting corporal pain on their victims, so why should any consideration be shown for their tender hides? Dickens observed about 100 years ago that if a few of the young pups in the United States were draped over a porter's back and given a good flogging it would take the banty roosterism out of them.

* * *

V. L. HANNA, Ronalds Advertising Agency, Montreal.

Corporal punishment appears to be dreaded more by criminals than jail sentences. It would act as a greater deterrent to youthful criminals. Additionally, it would eliminate the confinement of youths with hardened criminals in jails and penitentiaries. Until our correction system is such that segregation by age groups can be achieved and youthful criminals taught useful trades without the harmful influence of seasoned criminals, I am in favor of whipping.

* * *

MacDONALD MILLARD, Q. C., Barrister, Calgary.

Ignorance of the law, fear of procedure, absence of counsel and the stupid zeal of magistrates and police sentence many youths to intolerable terms. There is no need of whipping youthful criminals on first offense. Many youths have no appreciation of the seriousness of an offense until faced with punishment. The fault lies not in the youth but in the home, where character should have been molded. Whipping could be added for second offenders only who have already served time or have been punished for the same offense with some hope of benefiting society.

* * *

K. J. MORRISON, Harvey, Morrison & Co., Calgary.

Because of my Scottish background, I have always had the opinion that the old adage of sparing the rod and spoiling the child was a very realistic approach to the bringing up of children in all homes. With youthful criminals, it may be that the time for implementing that method has passed its most useful state, but I am still of the opinion that properly supervised whipping, while not being a positive cure, would certainly be a deterrent for other so minded juveniles. Like capital punishment, one cannot be too dogmatic, but on balance I am inclined to agree with the Ontario magistrate.

* * *

R. E. MINDELL, District Manager, Canada Life Assurance Co., Winnipeg.

Imprisonment can be impersonal, in a sense a way of life. Oftimes criminals, on imprisonment, are better cared for medically and materially. There is nothing impersonal about a whipping, soundly and efficiently administered. Criminals will try to avoid prison but do not fear it. They would, however, fear physical punishment. On being given a choice, criminals would in every case prefer imprisonment to whipping, and on the sound principle that criminals should not be allowed a choice of punishment, I would give him the punishment he did not choose: the whipping.

* * *

W. T. McGRATH, Secretary, Delinquency & Crime Div'n., Canadian Welfare Council, Ottawa.

I disagree strongly. Research has shown that corporal punishment does not reform but instead embitters the victim and evokes a desire for revenge wholly detrimental to the treatment process. The motives that lead to criminal activity are deep and complex and are not so simply removed. Nor should we forget that the lash is torture comparable in brutality to the rack and the thumbscrew, and that Canada has condemned the use of torture by subscribing to Article 5 of the Universal Declaration of Human Rights. The society that condones brutality cannot shut itself off from its brutalizing effects; we must all share its degrading influence.

* * *

D. S. PENTON, Headmaster, Lower Canada College, Montreal.

I do not agree with complete abolition of all corporal punish-

(Continued on page 9)

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Canada's chemical industry has taken another step forward in product self-sufficiency with first domestic distillation of aromatic petroleum solvents at the Petrolia, Ont. plant of S. Nord Chemical Co.

The aromatics are used in manufacture of a long list of products including paint and varnish, lacquer, de-greasing solvents, resins used in paper coating and rubber manufacture.

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Nord officials have active plans to ultimately use large quantities of their own benzene, toluene and xylene in production of a range of coal-tar derivatives basic to the dye, rubber, perfume, etc. industries and never produced before in this country.

Make Giant Press Parts In Canada

Canada is supplying two of the major components of what is believed will be the world's largest hydraulic press.

The press is part of the U.S. defense program and will be used to manufacture aircraft parts.

Dominion Bridge Co.'s plant at Lachine, Que., has just completed two large welded parts which weigh 60 tons each. They are girders 66 ft. long and six feet, nine inches high. The steel is three inches thick, and in some portions seven to eight inches thick. They will support a sliding table which is part of the press, and hydraulic equipment that moves the table. (The table slides out of the press so dieholders and dies may be set.) The girders must be so massive because of weights they will carry.

Unusually large presses can stamp out parts of an aircraft that would be more costly to produce if assembled from smaller components. They are expensive, and require a large amount of work to be done to justify them.

The Germans made great strides forward in aircraft production during the last war by use of large presses. The Russians acquired presses and technical know-how from them and are believed to have a big-press program too. What is really the largest press in the world is not known for certain because Russian achievement is secret.

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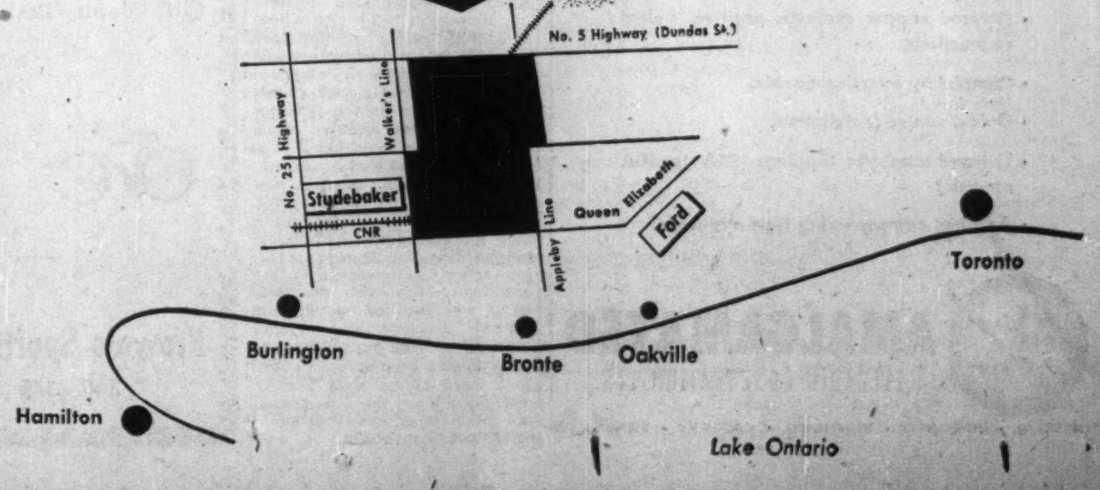

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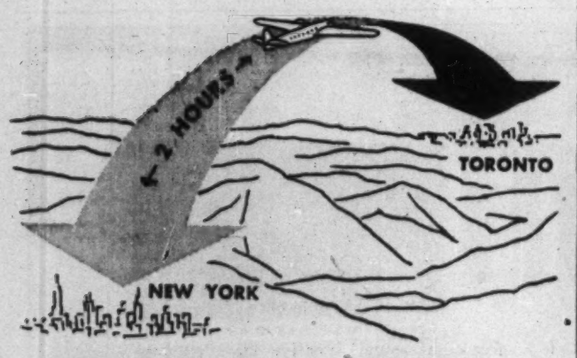

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LABOR ROUNDUP By TREVOR LLOYD

Impetus To Office Drive In Que. Check-off Award?

What could be a significant decision in the important field of white-collar workers was handed down in Quebec last week. An arbitration board ruled in favor of compulsory checkoff for a group of 100 office workers, employees of Sherwin-Williams Co., Montreal.

The significance lies in the fact that this is believed to be the first such decision affecting office workers, the group that is becoming increasingly important in union eyes as one of the few remaining large fields open for organization.

The Board's decision is not binding and in view of company opposition to the checkoff, could result in a strike. The company has 14 days to reject the decision.

It was a majority decision delivered by a Board named to settle a long-standing disagreement between the company and the Office Employees International Union (AFL-TLC). The company opposed the checkoff in a minority report.

While "not disposed to grant the closed shop," the majority report said "all employees who were members of the union when it obtained its bargaining certificate or who became members thereafter, should remain members compulsorily for the duration of the agreement, together with employees who will join the union later." A $2 monthly due was to be deducted by the company from union member wages, the board ordered.

The majority report also awarded employees a 10% wage increase and a decrease in work week to 35 hours, along with incorporation of the cost-of-living bonus into basic rates, retroactive to Nov. 1, 1952.

Calling his award a "not very considerable increase," Judge Jules Poisson, Board chairman, said "a greater increase would have been granted were this not a first contract."

The company representative, H. P. Demers, submitted that employees should be allowed to pay union dues on a voluntary basis. He opposed salary raises until a job evaluation program is completed. The majority report said their recommended increase would change to 20% if the program were not finished in the near future. Original union demand was for a 25% pay boost.

While the precedent-setting importance of the decision may be limited, particularly in provinces other than Quebec, it is expected to give impetus to union moves in this field. Efforts by this union and the other one in the field, the tiny Office and Professional Workers Organizing Committee (CIO-CCL), have lagged in the past couple of years but there were definite signs earlier this year that organization would be stepped up soon.

The CCL union has about 200 members compared with about 2,500 for the TLC group.

* * *

A Beating For UE?

Efforts of the Communist-led United Electrical Workers union to get into the RCA Victor plant in Prescott, Ont., this week appeared to be stymied, at least temporarily. The Ontario Labor Relations Board has ordered a vote among employees to decide whether or not they want a rival union, the AFL International Brotherhood of Electrical Workers.

The vote was ordered following a Board hearing of an application by IBEW for certification. The UE, represented by Ron Russell, opposed the application charging that evidence of membership submitted by IBEW did not conform to Board policy. The contention was that irregular methods were used to sign up members.

The Board found there was no evidence of forgery or fraud but there was some evidence that money had been advanced to employees to induce them to join. The vote was therefore ordered to find the true wishes of the employees. A minority report by Russell Harvey of the AFL said the Board had been "hoaxed" and that the application should have been allowed.

About 400 employees are involved.

No date for the vote had been set at midweek but it is expected soon. The IBEW will want it quickly to reduce the time the UE will have to drum up a campaign against the AFL group.

This isn't the first time the two unions, biggest in the Canadian electrical field, have clashed. The IBEW was largely responsible for the Quebec Labor Relations Board decertifying the UE at RCA Victor in Montreal last winter.

Earlier—about three years ago—the IBEW won out in a fight at Westinghouse in Three Rivers, Que. when the UE was decertified; the ruling then was the UE, because of its political interests, was not a union.

The Red-led UE has a Canadian membership of over 25,000 compared with about 4,500 for IBEW.

Footlights And Finance Linked As Theatre Offers Own Stock

Investors were offered a chance to become angels this week by a newly formed legitimate theatre in Toronto. The company, Murray & Donald Davis Ltd., has taken over a former movie house in North Toronto where a permanent repertory troupe will present its first play on Jan. 5.

The new venture is not connected with the proposal of Broadway Angels Inc. of New York to come to Canada (The Financial Post, Nov. 28).

The stock offering, at par, consists of 5,000 5% non-cumulative redeemable preferred shares, at $10, with a bonus of one common share for each two preference shares purchased.

Authorized capitalization is 7,500 preferred shares and 10,000 common. The five directors have purchased one third of the authorized preferred shares for $25,000. All of the common shares have been issued to President Murray Davis and Vice-president Donald Davis in consideration of the assignment to the company of the lease on the theatre, as well as various contracts and production plans.

Proceeds of the stock offering are to be used to convert the Crest Theatre for use as a legitimate theatre—including removal of the popcorn machine—and to pay pre-productior costs and provide working capital.

No estimate of earnings is available, said the president, but the company is budgeting on the basis of 50% occupancy of the 830-seat theatre. Ticket prices will range from $1 to $3. Professional actors will be employed on a full-time basis to present two-week runs of each play.

Toronto now has one theatre, the Royal Alexandra, devoted exclusively to the legitimate stage.

Can. Varnish Holders Drop Court Action

Court action by two large holders of Canada Varnish Co. preferred shares against the company (The Financial Post, April 25, 1953) has been dropped.

The plaintiffs, R. W. Phelps and Otaco Ltd., Orillia, have made an out-of-court settlement, and proceedings which were to have gone ahead this month, will not be resumed.

The case had wide interest for investors because it contested the right of Canada Varnish, which had disposed of its business, to purchase another business or businesses.

Before any such action was taken, the plaintiffs held, the company should, under the terms of the prospectus issued in connection with the original offering of the preference shares, either redeem the preference stock or wind up the company's affairs altogether. Preference shareholders are entitled to $27 a share on liquidation of the company.

In a letter to preference stockholders in February, Chairman Nelson M. Davis of Canada Varnish Co. said that due to the strong cash position of the company following the sale of its paint business, "your directors are now considering the acquisition of another business." Several businesses were under consideration, he said.

Basis of the out-of-court settlement has not been revealed. Mr. Phelps told The Post that reports this week that the basis was $22 were incorrect. He declined to give details, however, but said he was "satisfied" with the amount received. He and Otaco Ltd., in which he is interested, together held 1,645 preference shares having a par value of $41,125 ($25 par each).

Other shareholders are understood to be looking into the possibility of reaching some agreement with the company. Some clarification may be forthcoming within the next two weeks, The Post is told.

INDUSTRIAL ACCEPTANCE CORP. reports 13,527 5% $100 par preferred shares, 136,133 5% $30 par preferred shares and 1,005,472 new common shares outstanding at Nov. 20.

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Electron 'Brain' To Solve Avro's Airframe Problems

MONTREAL (Staff)—The first all-electronic digital computing commercial system in Canada is being installed at A. V. Roe Canada Ltd., Malton, Ont., to speed aircraft design calculations.

The unique $130,000 system, built by Computer Research Corp., Hawthorne, Calif., and Boeing Airplane Co., Seattle, Wash., will be in operation by next spring. Installation, engineering, training of personnel and maintenance will be carried out by Computing Devices of Canada Ltd., which represents the two U. S. firms here.

The unit is said to be capable of storing 40,000 facts in the form of electronic impulses, which it can combine and return to the operator in any order. An attachment, which acts as a sort of giant filling system, can store four million pieces of information which it can feed into the machine, acting on its own initiative, according to previous instructions.

This system is claimed to have great time and money saving advantages, especially when solving problems in aircraft design. Specifically, the unit will be used for solving problems concerned with the responses of an air frame to control movement and external disturbances.

In this applications, A. V. Roe engineers state that the machines will be able to do the same work in two hours that an operator would accomplish in seven months, working eight-hour days.

Computing Devices of Canada was formed in 1948 as an all-Canadian owned electronics company, with headquarters in Ottawa (The Financial Post, Oct. 17). Besides its representations of 12 major U. S. electronics equipment producers, the company manufactures its own design of computers and other electronic devices, presently all being used for defense purposes.

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MONTREAL (Staff)—The Quebec Transport Board has ruled that only trucking firms with headquarters in the province have the right to make point-to-point deliveries within Quebec's borders.

The important judgment was handed down by the board's Chairman, George Lemay, in turning down a request from Smith Transport Co., Toronto, for permission to operate within a 30-mile radius of Montreal. Counsel for the company had argued that Smith had acquired rights to operate a pickup and delivery service in the province because "it has operated along these lines for some time." The company claimed that it was only trying to have its practice confirmed through an official permit.

Officials of the Quebec Automotive Transport Association, representing the Quebec trucking companies opposed to the granting of such rights, maintained it was justified in opposing "outside" trucking firms, because these firms were paying taxes to governments in provinces where their head offices were located, and did not pay the sales tax on the purchase of new vehicles to the Quebec Government.

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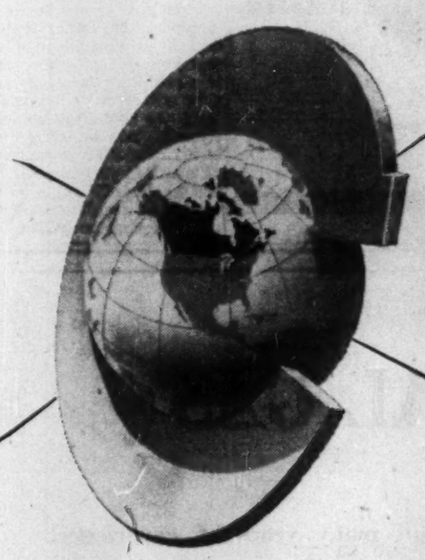

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Sandwell Here

By B. K. SANDWELL

OPINION IN SASKATCHEWAN, where I have been wandering around for a week, is by no means unanimous about the need for special financial help to farmers with large quantities of wheat which they cannot deliver to elevators for lack of storage space. The division however is closely on political lines, and there are very few farmers in these parts who are not politicians.

The attitude of the Liberals is that the situation is not at all serious except for a very small proportion of farmers who spent recklessly and saved nothing out of the proceeds of the past several years of good crops. To invoke large-scale federal aid for the sake of this small element would, they argue, be unwise in the general interests of Prairie agriculture, as tending to make it more difficult to obtain such aid in future more serious contingencies, such as a series of poor crops.

The CCF adherents make much emotional play with the cases of poor farmers who, in spite of having vast quantities of wheat on their farms, are alleged to be unable to keep their children at college and their hospital plan premiums paid up because of lack of cash.

Bankers claim that good farmers have no difficulty in obtaining advances on their general credit even if their wheat is not in a position to be used as security.

There is no enthusiasm in any quarter, of any political shade, for reduction of acreage. The feeling is that the world needs wheat, the business of Saskatchewan is to grow it, and the business of somebody else is to find buyers for it.

We Will Never Teach Them This Way

ONE OF THE THINGS which, it seems to me, it is most important for Canada to develop in her Indian population if they are to take their part in a modern civilization is the sense of ownership. In the normal economy of an Indian reserve that sense is not strongly developed, nor was it well developed in the pre-white-man economy of the nomadic tribes.

It seems a pity, therefore, that young Indians in the residential Indian schools should be denied the privilege of owning the textbooks which are provided for them. At the end of each course they have to turn in the books used in that course, and they are not permitted to take anything home except the workbook in which they have done their exercises and compositions.

The system is defended on the ground that these Indians have no sense of ownership anyhow, and that if they were given the books they would take no interest in them as possessions, and would probably tear them up or throw them away. This is surely a counsel of despair. Even if a few of the Indians who have passed through these schools—which on the whole are doing an excellent work—took their books home and treasured them, and showed them to their parents and their younger brothers and sisters, something would have been gained which would offset the small cost involved. You cannot teach the love of books by putting them into the hands of young people as a loan for a few weeks or months and then taking them away again.

Crisis of Excess—Crisis of Deficiency

ON THE FRONT PAGE of a single issue of the daily newspaper which lies on my table as I breakfast in Northern Saskatchewan are two items carrying large headings. One describes the meeting at Ottawa of "spokesmen for Canadian agriculture" at which drastic slashes in Canadian grain production, "perhaps by law," were urged as the only solution to the "threat of another major grain glut" next year.

The other describes the seventh conference of the United Nations Food and Agriculture Organization, held in Rome, at which the world was told that 70% of its population is ill-fed, and that it "must either solve its food crisis or face the revolutionary wrath of a hungry populace."

Crisis in excess, crisis in deficiency. It seems illogical, but it is not. That is to say, it is the perfectly logical consequence, the inevitable consequence, of the currently accepted doctrine of the unlimited sovereign power of the individual state.

The individual state, it is currently held, has a perfect right to exclude from its territory, on any grounds, any persons whom it does not wish to admit. Equally it has a perfect right to exclude from its territory any goods which it does not wish to admit. Granted those two assumptions the double crisis, of excess and of deficiency, is inevitable. It will continue, so long as those two assumptions are acted upon. They are likely to be acted upon for a long time.

Owing to that admirable principle of nature, the law of diminishing returns, the people of the densely populated countries have difficulty in raising, in their crowded areas, the amount of growing vegetation and animal products that they need to keep themselves alive. An hour of labor with them is immensely less productive than an hour of labor devoted to the raising of animal or vegetable products in the uncrowded countries. And since the value of labor cannot exceed the value of that which it produces, the wages of labor in such countries are very low. The laborer, however, cannot remove to countries where wages are higher, because he will not be allowed into them.

He could turn from the production of animal and vegetable products to the production of manufactured goods, for export in exchange for foodstuffs. But it is no use his doing so, because these manufactured goods will equally be excluded from the countries with low populations and high wages, on the ground that they are produce of cheap labor and must therefore not be allowed to compete with the highly paid labor of these countries. The crowded country is thus prevented from buying the surplus food products of the uncrowded country, because it has nothing which the uncrowded country will accept in payment for them.

The surplus food products of the uncrowded country are just as useful to the crowded country as if they were on the moon; and for that matter the market which could be afforded by the crowded country for the surplus food products of the uncrowded country is just as useful to the food producers of the latter as if it were on the moon. There is an economic iron curtain, which may in the long run be just as dangerous as the ideological iron curtain, between the crowded and the uncrowded halves of the world.

The admittance on a large scale of the manufactured products of cheap-labor countries would vastly expand the market for the animal and vegetable products of the dear-labor countries. On the other hand, it would certainly diminish the wages of the dear-labor workers in those industries with which the imported cheap-labor goods would compete, and this in time would diminish the wages of all types of labor in such countries. This is obviously not a policy which is likely to commend itself to the electorate of a democratic country in which most of the electors are wage-earners. So we may assume that the present condition, of simultaneous crises of excess and of deficiency, will continue into the indefinite future.

Justice for Scrooge

Says B. K. Sandwell

"Scrooge has always symbolized the cruel and grasping man but he was only making money to enable his partner Marley to give it away. And even Scrooge couldn't have kept Marley supplied with handouts on today's scale of living."

Read B. K. Sandwell's entertaining commentary on Christmas, 1953, in the December issue.

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Whipping Cure For Young Criminals?

(Continued from page 7)

ment for young criminals. I do, however, feel that any such punishment should only be given after judicial consultation with qualified advisers and only in cases where the crime were accompanied with violence. Better facilities for remedial treatment of juvenile delinquents are still required. While society may have to punish, it is also its duty to re-establish.

* * *

PETER MORGAN, Account Executive, Harry E. Foster Advertising Ltd., Toronto.

My sympathy is with the magistrate—but when did a toothache ever stop a kid from eating candy? We can all understand how heartily sick he must be of seeing the courts and schools forced to assume the responsibilities that parents avoid. Young criminals are the failures that bad parents palm off on society. Why beat kids that are already down? — The whipping would do more good if applied to the parents.

These youngsters gone wrong need positive training in good citizenship—they need to be taught what is right. A whipping will only teach what is wrong. Our courts and social agencies can do better than that.

* * *

LLOYD PERCIVAL, Director, C.B.C. Sports College of the Air, Toronto,

Whipping is no deterrent. It only makes young criminals more anti-social and develops resentment of law officers. What is most needed is segregation from experienced and hardened criminals during the punishment period. The cause of most delinquency is due to environmental background. Therefore, any sentence should be served under conditions and a system designed to provide the good influence and direction lacking in the home situation. Such reform and training must be lengthy and well-conducted to hold up when the subject returns to his old environment.

* * *

STUART PHILPOTT, Big Brothers of America, Toronto.

I have yet to know of any basic change in conduct resulting from whipping children for misbehavior. Corporal punishment may impose a temporary submission by the child to the authority inflicting physical pain but whipping a delinquent child is more likely to intensify the basic causes of his misbehavior than it is to help him. The scientific approach to delinquency and its prevention may be a slow process but it does embrace intellectual and emotional factors, while whipping, whether given by parents or authorities set up by society, in many cases leaves emotional scars and increases delinquency.

* * *

Maj. R. E. STEWART, Counselor, Calgary High School, Calgary,

Many hardened criminals are impressed only by physical force. This would be effective as initial shock treatment for all who had caused or threatened bodily harm. The punishment should be followed by a parole prescribed to suit each individual. For property damage, insist upon restitution. Murder is punished by death, but violent criminal conduct is being punished by ineffective fines. The criminal loses respect for the law and for the enforcement officers. Innocent citizens are looking for protection by prompt and decisive enforcement of the law.

* * *

HAROLD TOLLEY, President, Ontario Command, Canadian Legion, Sault Ste. Marie.

Whipping is justifiable for certain offenses. Where bodily harm has been done deliberately and violently, physical pain dealt out in turn to the offender would possibly be a deterrent to future acts of violence. Any of these young thugs are cowardly at heart, seldom operating singly and should be given a dose of their own medicine.

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Surplus Pork To Germans At Quarter Cost

OTTAWA (Staff)—Ten thousand tons of Canadian canned pork has been sold to West Germany for a price little more than a quarter of its cost. This is the meat the Federal Government canned last year when there was no other market open for pork because of the foot-and-mouth disease.

German importers are buying it for 17 cents a lb., f.o.b. Atlantic ports. The Government paid about 60 cents a lb. average.

This export of surplus food far below cost is the very thing government authorities have dreaded the U.S. doing. The difference which Ottawa likes to stress is that the only reason for its accumulation of canned meat was the emergency created by the foot-and-mouth disease. "It was canned," Agriculture Minister Gardiner told the House of Commons, "to make it possible for us to go on fighting the foot-and-mouth disease and at the same time to let people go on marketing their livestock."

About 98 million lb. were canned. About 50 million lb. have been sold in Canada at about 30 cents wholesale, which was about half the cost. Some two million lb. were sold in the United States. Some 26 million lb. remain on the Government's hands.

See Surplus For Grand Trunk On '53 Operations

MONTREAL (Staff) — Grand Trunk Western Railroad Ltd. anticipates a net surplus of $162,769 on 1953 operations, as against a deficit of $1,605,740 in 1952, Vice-president & General Manager S. J. Massey, Jr., told the company's semi-annual meeting in Detroit recently.

G. T. W. is a wholly owned subsidiary of Canadian National Railways, with main operations from Sarnia, Ont. to Chicago and the important Chicago-Detroit rail link.

Mr. Massey attributed the improved operating results to the high level of business in the first seven months of the year, during which an all-time record for business handled was achieved. He said this was brought about by stepped-up production in automotive and other plants served by the line.

In nine months of the current year, operating revenues totaled $47,178,000, an increase of $5,937,000 over the corresponding period of 1952. Operating expenses amounted to $37,365,158, an increase of $2,071,771 over 1952. Net revenue was $9,812,842 —$3,865,229 more than the corresponding figure for the previous year.

The Grand Trunk Western has new equipment on order for both passenger and freight services, including 800 freight cars and two buffet parlor cars. Equipment received so far this year includes three diesel switchers, 925 freight cars and five passenger coaches.

Imperial Oil Lets $6 Million In Sarnia Jobs

Further steps in the general expansion and modernization of Imperial Oil's Sarnia refinery have been announced. A new highly-mechanized packaging plant and a mechanical shop, costing some $6 millions, will be built by Canadian Bechtel Ltd. Included in the project will be a laboratory for supervising product control.

The packaging plant, to cover 90,000 sq. ft. will be the most modern in Canada, company claims. It will handle Sarnia's refinery shipments of lubricants and other products in drums and smaller packages. The plant will house eight packaging machines, two of them fully automatic. The automatic drum filler will fill and cap 1,000 45-gal. drums of oil in an eight-hour shift. The automatic canning machine will be able to discharge sealed quart cans of lubricant at the rate of 400 a minute. The packaging plant is scheduled for August, 1955 completion.

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Daily at Noon as Reported by The Bank of Canada
Week Ended Nov. 27, 1953

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Fiction

THE DOCTORS, by Andre Soubiran; Thomas Allen Ltd., Toronto; $4.

Soubiran presents a realistic behind-the-scenes portrait of life in the clinic, the medical school, the laboratory and the charity ward, in telling the story of Jean Nerac from his medical school days.

* * *

A PASSAGE IN THE NIGHT, by Sholem Asch; Thomas Allen Ltd., Toronto; $4.

Where can a man find his personal God? The creator of unforgettable portraits of the Nazarene, Moses and the Apostles, in his first modern novel since 1946, turns his attention to one man's search. It is a moving story of one man in conflict with his conscience, and a plea for mutual understanding and respect among men of all faiths.

* * *

THE UNCONQUERED, by Ben Ames Williams; Thomas Allen Ltd., Toronto; $5.

In House Divided, Ben Ames Williams told of the U. S. Civil War. His latest book deals with the reconstruction period, a Northern army officer who had faith in the new south, and his courtship and marriage to a southern girl. It is a warm story of the gap between peoples, and the beginning of a new life.

* * *

THE BETRAYERS, by Ruth Chatterton; Thomas Allen Ltd., Toronto; $3.75.

A typical Washington witch-hunt sets the stage for this novel of a modern Portia, who scores success as a lawyer but almost loses her home. The behind-the-scenes descriptions of Washington add zest to a good story.

* * *

THE VERMILION GATE, by Lin Yutang; Longmans, Green & Co., Toronto; 439 p.; $4.50.

The western regions of China in 1932-34, before the rise of Communism, form the background for this novel by one of the most famous of Chinese authors. Written in the story-telling style of the East, it brings in many characters without losing the central theme.

* * *

MOUNTIE ON TRIAL, by Oscar Olson; Ryerson Press, Toronto; 257 p.; $3.25.

There is a special touch of authenticity of this volume by the RCMP: the author is a veteran member of the force, has served in the West and Northwest and is now stationed in Ottawa. It's a fast-moving story of the troubles of a young Mountie who is under a cloud and then wins his way back into the force.

* * *

THE SEA SHALL NOT HAVE THEM, by John Harris; McGraw-Hill, Toronto; 256 p.; $2.25.

The title of this volume was the motto of Britain's Air-Sea Rescue High Speed Flotillas, better known as the ASR. Now in its third printing in the U. K., it is a strong story of four men adrift on a dinghy in the North Sea, of the launch crew which saved them and of the teamwork that made it possible. Authentic and exciting.

* * *

TIME AND TIME AGAIN, by James Hilton; MacMillan Co. of Canada Ltd., Toronto; 306 p.; $3.75.

Mr. Hilton (Good-Bye Mr. Chips, Lost Horizon) takes the embassies of the world for a backdrop for his latest novel. The story—the central figure is British diplomat Charles Anderson—takes us through the turbulent first half of this century. We are brought the background of many events as they were enacted behind the scenes in places as far removed as Paris and Connecticut, London and Buenos Aires. Like all Mr. Hilton's works, this is the story of the heart and mind of a very human being.

* * *

CALLED BACK, by Philip Gibbs; Ryerson Press, Toronto; 207 p.; $3.25.

Special correspondent during two World Wars, literary editor and novelist, Sir Philip Gibbs builds his latest novel around the problems of a young U. S. airman who returns to his home for a brief time, and then is recalled to duty in England. His smooth pen lifts the story to a strong finish.

* * *

TIDEFALL, by Thomas H. Raddall; McClelland & Stewart, Toronto; 309 p.; $3.75.

Tom Raddall, in his new novel, adds to his prestige as a chronicler of Canada's East Coast. It's a powerful story of a small Nova Scotia community, of a rum-runner who tried to go straight—in his own way—and of the final victory of the sea. The characters are sharply etched, the tempo fast.

* * *

LORD VANITY, by Samuel Shellabarger; McClelland & Stewart, Toronto; 465 p; $4.50.

For those who like history and romance blended with action, Shellabarger has written another best-seller. He ranges from the Venice and Paris of 1757 to the Plains of Abraham in a novel of strong characters and sharp description.

Biography

THE AGE OF THE MOGULS. By Stewart H. Holbrook. Doubleday Publishers, Toronto. 374 p.; $5.50.

Here are the industrial and financial giants who dominated United States business in the century that ended with or before the great depression. They were among the world's richest men and certainly the most powerful. Vanderbilt, Carnegie, Rockefeller, Morgan, Mellon, Hearst, Ford, Du Pont, Ontario-born Hill were among them.

Holbrook, a former lecturer at Harvard and well known U. S. writer, gives us a vivid picture of these men, of the way they build up their empires and their vast fortunes and, in some cases, lost them. In his introduction, Holbrook says "I shall use neither gilt, nor whitewash, nor tar." He doesn't.

* * *

J. S. WOODSWORTH, by Grace MacInnis; MacMillan Co. of Canada Ltd., Toronto; 336 p.; $4.50.

The bibliography of Canadian political life is enriched by this work. In it the daughter of the founder of the CCF party sets down the story of the man and his motives as seen through the eyes of family and fellow workers. Mrs. MacInnis has drawn on many sources for this biography of her father, and not least her own long connection with the CCF party which started with its foundation in 1932 when she married the now CCF M.P. for Vancouver East, Angus MacInnis.

* * *

LELIA, The Life of George Sand, by Andre Maurois; Musson Book Co., Toronto; 482 p.; $5.50.

Andre Maurois, widely recognized as one of the greatest of living biographers, here turns from his previous studies of great historical figures to dissect the life, loves and tragedies of one of the most extraordinary women of the nineteenth century. This is a story of a woman rebellious in literature, politics and of the conventions. George Sand was the focal point for a flood of gossip and rumor. Andre Maurois, using hitherto unavailable diaries and correspondence, tells why in his story of her love affairs with the famous men of her day.

THE SPIRIT OF ST. LOUIS, by Charles A. Lindbergh; S. J. Reginald Saunders, Toronto; 562 p.; $6.25.

It is given to few men to push civilization ahead either through physical or mental achievement. Such a man is Charles A. Lindbergh who played such a large part in bringing about the commonplace of trans-Atlantic travel today.

This is a sincere autobiographical account of the planning and execution of first solo non-stop flight between the continents of America and Europe. It is a gripping hour-by-hour account of that momentous, desperate, triumphant first flight over trackless water. It is fresh and real combining both a physical account and an honest expression of one man's evolving faith in a time of crisis.

World Affairs

THE WILD PLACE, by Kathryn Hulme; McClelland & Stewart, Toronto; 275 pages; $4.25.

A U. S. member of UNRRA in Germany from 1945 to 1951, Miss Hulme tells of work in that organization in rehabilitating and settling the millions of homeless who wandered around Germany after the war. It's a heart-warming story of humor and tragedy which won the Atlantic's $5,000 non-fiction award this year.

* * *

SOVIET POLICY IN THE FAR EAST, by Max Beloff; Oxford University Press, Toronto; 278 p.; $4.25.

Oxford Professor Beloff, author of The Foreign Policy of Soviet Russia, 1929-1941, in his new book follows out the development of Russian policy in Asia from 1944 to the beginning of Korean truce talks in 1951.

His conclusion: "The history of Soviet policy in the Far East since the Second World War provides an apt illustration of the tensions between the Soviet Union as a centre of political power, and the Soviet Union as an agent of world revolution. Soviet statesmanship has as its major task the problem of their reconciliation. The region was one in which both successes and failures could be seen; but there was inadequate information for anyone to be able to say with confidence whether the task that the Russians had set themselves was too difficult or not."

* * *

THE SCARLET THREAD, by Donald Downes; Ryerson Press, Toronto; 207 p.; $3.

Here's an "inside" story of British and U. S. espionage in the last war. The author served the intelligence services of both countries in all continents but Australasia. He tells an exciting story of plots against the Axis powers and his own active part in them. He makes some strong criticism of Allied policy and is highly critical of the work of the FBI.

* * *

RUSSIA WHAT NEXT, by Isaac Deutcher; Oxford University Press, Toronto; 230 p.; $3.50.

To all who puzzle Canada's future between the two giants—Russia and the United States—here is a brief logical explanation of the course Russia is setting after the death of Stalin this year. It is not a sensational expose or an inside information book. Rather a clearly written account of the internal and external forces shaping Russian policy today.

The writer is a widely quoted authority on Russian affairs, an economist, ex-communist and staff writer of the London Economist.

RUSSIAN ASSIGNMENT, by Leslie C. Stevens; McClelland & Stewart Ltd., Toronto; 567 p.; $6.50.

This is Russia from the inside or as far inside as an exceedingly well equipped foreigner could expect to penetrate. Admiral Stevens can speak, write and read in Russian and for three years (1947-49) he was U. S. Naval Attache at Moscow. During that time he did considerable traveling about the country with both eyes and both ears wide open. He comes away with a great deal of admiration for the Russian people and for their theatre and their ancient art but none at all for their bureaucracy ridden police state government.

* * *

THE UNKNOWN COURIER, by Ian Colvin; Ryerson Press, Toronto; 207 p.; $3.

In the spring of 1943 when German and Allied GHQ's were playing tag with deception and counter-deception, propaganda and counter-moves, the body of a British major was washed ashore on the southwest coast of Spain. attached to his wrist was a courier bag, containing important "documents" of Allied plans. As Britain expected, the plans reached Hitler, and created the false impression for which they were intended. That's the story Ian Colvin spells out in detail in his unusual book, in which he describes his post-war efforts to locate the grave of the unknown courier.

* * *

OUR SECRET ALLIES, by Eugene Lyons; McClelland & Stewart, Toronto; 376 p.; $5.

Journalist Eugene Lyons was "sympathetic" to the Communist experiment until he went to Moscow as UP correspondent, 1928-34. Out of that experience he wrote "Assignment in Utopia," in which he told some plain truths about Communism. He has studied and fought Communism actively since that time, and in "Our Secret Allies," he gives his views on the situation inside Russia and the satellites, with millions of oppressed people looking for new leadership. His advice: "Moscow has been consistently building fifth columns in our midst and promoting tacit alliances with millions of its sympathizers throughout the world. Having dedicated ourselves to destroying Communism root and branch, we must likewise focus our energies and ingenuity upon expanding OUR fifth columns and generating ideological support within the enemy domain."

Reference

THE COLUMBIA VIKING DESK ENCYCLOPEDIA, compiled and edited at Columbia University; MacMillan, Toronto; 1092 p.; $8.95.

Some 31,000 entries are covered in about a million and a quarter words in this desk-size condensation of the second edition of the original Columbia Encyclopedia, published first in 1950. Census figures, death dates and other data have been revised to April 1, 1953. New entries cover recent events and discoveries and people in the news. The volume, about the size of the Canada Year Book, contains more than 1,000 Canadian entries. Useful desk or sidetable aid—and therefore gift—for the business or professional man, writer, student, teacher or clergyman.

* * *

YEARBOOK OF THE UNITED NATIONS; Ryerson Press, Toronto; 981 p.; $12.50.

The 1952 edition is the sixth in the series of annual volumes which have come to be recognized as the standard reference work on the United Nations. The current edition reviews briefly U. N. events to the end of 1951, then deals in detail with the major questions discussed during 1952, and decisions reached. For those concerned with international affairs today, and for historians of the future, the Yearbook is a valuable factual volume.

Non-Fiction

TRIUMPH AND TRAGEDY, by Winston Churchill. Thomas Allen Ltd., Toronto; $6.50.

Churchill's memoirs of the Second World War need little introduction. In his final volume, he opens with the D-Day assault on the Normandy Coast and follows through to the defeat of Japan. Here is the story of the great conferences of Yalta, Potsdam, which set the background for the cold war. Co-incident with the final volume, the publishers have issued a special boxed set of the six volumes at $32.50.

* * *

SONGS FOR MY SUPPER, by Robert Service; McClelland & Stewart Ltd., Toronto; 192 p.; $2.75.

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(Continued on page 11)

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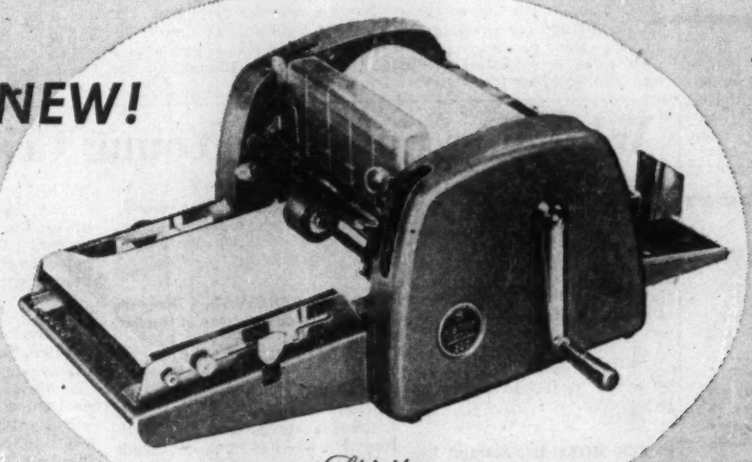

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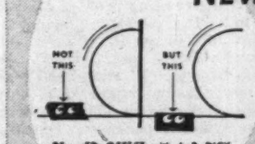

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(Continued from page 10)

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AUSTRALIA, HER STORY, by Kylie Tennant; Macmillan Co., Toronto; 296 p.; $3.

For those who would know, in one reading, something of the history and development of a sister member of the Commonwealth, Miss Tennant has done excellent work. It's the story of the rigorous, romantic — and sometimes, sordid — history of the early penal colony days, the development of the wool trade and Australia's subsequent growth to nationhood. In itself, a table of important Australian dates is valuable for the research worker.

* * *

THE GREATEST FAITH EVER KNOWN, by Fulton Oursler and April Oursler Armstrong; Doubleday Publishers, Toronto; 383 pages; $4.50.

The stories of the disciples—Paul, Peter and James in particular — come to life with new strength in this book on the founding of Christianity and on the men who spread the Gospel. Oursler, author of two other great books on the Bible — Greatest Story Ever Told and Greatest Book Ever Written — died last year, and his book was completed from his manuscripts by his daughter.

* * *

MAN, TIME AND FOSSILS, by Ruth Moore; McClelland & Stewart, Toronto; 411 pages; $6.50.

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* * *

CAVES OF ADVENTURE, by Haroun Tazieff; Musson; 222 pages; $3.25.

A power-site 2,000 ft. under the Pyrenees, where an underground river rushes through the darkness. This was the dream of French spelidogists who descended into the Caves of Pierre Saint-Martin in the Basque country of France.

The book is a translation of Tazieff's accounts of two expeditions into the caves, on one of which (last year) the famous Marcel Loubens died. Tazieff himself, a Pole by birth, has been called "the most daredevil geologist in the world," for his exploits inside volcanoes, undersea, beneath the earth and on the Sahara.

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THE HEART OF A PEACOCK, by Emily Carr; Oxford University Press, Toronto; 234 pages; $3.50.

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* * *

THE MOUNTAIN WORLD, edited by the Swiss Foundation for Alpine Research; Musson Book Co., Toronto; 220 p.; $7.50.

Every devotee of mountain climbing—and there are quite a number in Canada—will want this for his bookshelf. It is the first of an annual publication which the Swiss Foundation plans "to bring together explorers and mountaineers of various countries."

While essentially the story of the Swiss expedition which came within a few hundred feet of the top of Everest in 1952, it also includes accounts of climbing in Nepal and the Andes. Each climber tells his own story, bringing into focus the varying physical and mental reactions of men at high altitudes. Remarkable photographs show the beauty and the dangers of their life.

* * *

THE STORY OF EVEREST, by W. H. Murray; J. M. Dent & Sons, Toronto; $3.

Deputy leader of the 1951 reconnaissance on Mount Everest, Mr. Murray tells the story of each expedition from 1921 to the successful Commonwealth climb in June, 1953, when the peak was conquered. It is interesting to follow through on each expedition and to note how the knowledge gained on one was put to good use later, so that each moved a little nearer the top. It is a fascinating story of man's victory over not only a mountain, but the weather, the atmosphere, the physiology and the psychology of the mountaineers.

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FREEDOM'S FAITH, by Clarence B. Randall; McClelland & Stewart, Toronto; 198 p.; $3.25.

"No two among us will choose exactly the same scale of values, or arrive at precisely the same emphasis in methods of achieving the desired ends, but that very contrast is the conservative strength of our democracy. Our differences keep us in balance, and we move ahead when at last a common denominator appears in the thinking of all good citizens. To preserve the required balance, the businessman must play his full part in the forming of opinion," declares Mr. Randall. The chairman of the board of Inland Steel, author of A Creed for Free Enterprise, in his new book gives businessmen much food for thought, aimed at helping them form and strengthen opinions.

* * *

SEX AND THE NATURE OF THINGS, by N. J. Berrill; Dodd, Mead & Co. Toronto; 256 p.; $4.

This is not to be confused with Kinsey. It's mostly about plants, insects and animals and the vital part sex plays in their development and incidentally the development of this world we live in today. Dr. Berrill, a professor of Zoology at McGill University, is one of those exceedingly rare individuals, a scientist who writes in highly entertaining fashion and for the non-technical reader.

* * *

HOCKEY NIGHT IN CANADA, by Foster Hewitt; Ryerson Press, Toronto; 211 p.; $3.

Known across Canada as the voice of hockey because of his Saturday night broadcasts from Maple Leaf Gardens, Foster Hewitt in this book sets down many of the legends and facts of the century of Canadian ice hockey. He brings the story down from the birth of hockey, through the introduction of the McGill Rules, the struggle between amateurism and professionalism, the early days of the Stanley and Allan Cups and the headaches of the National Hockey League. Hewitt has been associated with the Toronto Maple Leafs since their founding and most of this story concerns that club.

* * *

WHAT TIME THE TEMPFST, by Waldo Smith; Ryerson Press, Toronto; 305 p.; $4.

After dozens of volumes on the Second World War by as many military authorities, there is a refreshing difference in this one written by a Canadian Army chaplain. It is an interpretation, an attempt to explain to those who did not go to war how the experience affected those who did. As a chaplain, the author got a rare insight into how soldiers think and feel.

* * *

THE WAY OF A SHIP, by Allan Villiers; Saunders, Toronto; 429 p.; $8.45.

Until the 1930s a goodly bit of the world's trade was carried in the bellies of great sailing ships, enormous steel-hulled vessels that drove under towering clouds of canvas. The like of the Cape Horners was never seen before and will never be seen again.

In this book, the latest of his many on sail, Allan Villiers tells the whole story of the Cape Horners and the men who sailed them. The ships were slow, by steamer standards, but they were extremely inexpensive to operate. Is there the wildest chance we could resurrect the old-timers for low-cost sea transport again?

"If the engines were flung out of the ships they would be good Cape Horners again even now," Villiers says. "But who could sail them then? There has to be a living tradition, a free and willing acceptance of service under sail without benefit of engines, a sufficient reservoir of competent seamen able and eager to serve and to go on serving. These things have gone."

* * *

LEGAL ESSAYS in Honor of Arthur Moxon; edited by J. A. Corry, F. C. Cronkite and E. F. Whitmore; University of Toronto Press; 262 p.; $10.

Truro-born Rhodes Scholar for Nova Scotia (1906), Arthur Moxon retired this year from the Board of Governors of the University of Saskatchewan after 44 years of service to the University, much of the time in connection with the College of Law. Former students have combined in this unique book with a collection of essays on a variety of subjects; company law, union discipline, labor relations and government. The contributors: E. A. Driedger, F. A. Sheppard, Gilbert R. Schmitt, E. F. Whitmore, Harold J. Clawson, J. A. Corry, W. R. Jackett, W. R. Lederman, D. W. Mundell and G. F. Curtis.

INDUSTRIAL FRUSTRATION, by Lewis C. Ord; Ryerson Press, Toronto; 178 p.; $2.50.

A book in which it is shown how the key to increased industrial efficiency, to better living standards, and to economic survival, lies in the hands of trade unions. To develop his theme, the author compares the industrial system and management techniques in the U. S. and the U. S. S. R. and notes the lessons to be learned from these diametrically-opposed systems. A Canadian, Ord moved to the U. K. in 1919 to apply U. S. production methods to industry there and to become one of the U. K.'s most authoritative industrial consultants. He died suddenly last June just after completing this book.

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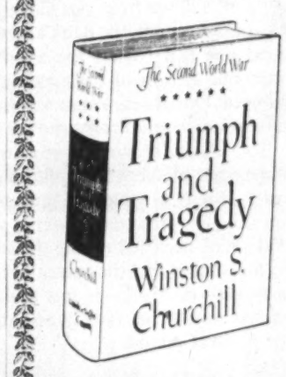

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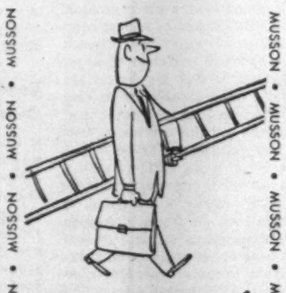

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H. L. Enman, President, Addresses 122nd Annual Meeting of The Bank of Nova Scotia

THE YEAR just coming to a close is the eighth successive year of growth and prosperity in the great period of Canadian expansion which began just after the close of the war. Our population has been increasing at rates which have not been paralleled since the early years of the century. From June 1, 1952 to June 1, 1953 the rate of increase was nearly 2½% and judging by the more recent figures on births and immigration the rate during the calendar year 1953 will be just as large and might even be a shade greater. Except for the twelve months from mid-1951 to mid-1952 when immigration was somewhat higher, and for 1949 when the entry of Newfoundland into confederation boosted the population, this is the most rapid rate of population growth in the postwar period and is considerably greater than any of the increases of the late 'twenties, the last preceding period of substantial economic expansion. The recent rate of population growth in Canada has been one of the highest in the world, considerably higher than in the United States and much the same as in Australia.

H. L. ENMAN
President
The Bank of Nova Scotia

The other outstanding aspect of Canadian growth has been the huge program of capital expansion and development. In 1953 capital investment expenditures show every sign of achieving the official forecast of $5.6 billions and will be significantly higher than in any past year. The present rate of capital investment is equivalent to no less than 23% of the value of the national production and for six successive years the ratio of investment to national output has been in excess of 20%. There are few countries where the rate of investment is higher and few, if any, where such a high rate has been so long sustained.

5% More Goods Consumed in '53

This notable economic growth has been accompanied by a further increase in the standard of living. From the information now available it seems likely that personal consumption of goods and services in dollar value will be 4% or 5% greater in 1953 than in 1952. Since retail prices have averaged a shade lower this year than last the actual quantity of goods and services consumed should be up by a full 5%. I need hardly add that while the increase in consumption has been spread over a wide range of goods and services the sharpest rises have been in consumer purchases of automobiles and television sets. When allowance is made for the larger population, it appears likely that real consumption per head in 1953 will be some 2% higher than in the preceding year.

Canada has Come a Long Way Since before the War

The cumulative effect of the rapid growth of recent years has been to expand the Canadian economy to a degree that few would have thought possible in pre-war days. Canada has come a long way since before the war. Her population, which is now 15 millions, is one-third bigger than in 1939 and a full half larger than in 1929. She is producing more than twice as large a quantity of goods and services as just before the war and two and one-quarter times as much as at the peak of that now rather distant boom which ended late in 1929. Her production per head which is roughly indicative of the average improvement in living standards is 60% higher than in 1939 and 50% greater than in 1929.

When we come to reflect upon it, this is a most impressive record. So far as population is concerned, the Canadian increase over pre-war is one of the more notable increases in the world. But so far as production is concerned, the Canadian record stands by itself, at least among the larger countries of the free world. Even the United States, whose achievements in expanding production are pointed to all over the world, has not enlarged her output proportionately as much though it must be admitted that the slightly greater Canadian increase is the result of a larger increase in population and not of a better record in increasing production per worker. If anything, output per head has increased slightly less in Canada than in the United States.

High Investment and Consumer Buying Main Features of 1953

In assessing the business picture of the present year, it seems fairly clear that the main expansive influences have been the further increase in capital investment and the higher level of consumer buying particularly of such items as automobiles and household equipment. The most striking and most widely known aspects of the great program of capital investment are of course the major projects connected with resource development —the oil pipelines from Alberta to the Pacific Coast and to Southern Ontario which are just finished; the railway into the heart of Quebec-Labrador which is well advanced; the Kitimat power and aluminum project; the big Niagara power extension; and a number of others including Gaspe copper, Manitoba nickel, and Saskatchewan uranium. This year has, indeed, witnessed a significant increase in capital investment in resource development. However, the greater part of the increase in capital investment this year is attributable to construction of more houses, more hospitals, more roads and more shopping centres and retail outlets. The emphasis has been on catching up with the shortages of housing, social, educational and commercial facilities resulting from the rapid growth of population and the considerable rise in living standards.

So far as consumer buying is concerned, there has been some increase in most directions reflecting the combination of population growth and somewhat higher income per head. It is no accident, for example, that the children's clothing industry has been one of the more active branches of the textile trades. The outstanding advances, however, have been in sales of automobiles, television sets and to a somewhat lesser degree household appliances and equipment, and here it must be observed that the increase has been supported by a notable expansion in consumer credit.

Less Stimulus from Defense and Exports

This year, in contrast to the two preceding years, defence expenditures have not been a major expansive influence. Outlays for defence purposes will probably be somewhat larger in 1953 than in 1952, but the impact of the defence program, bearing in mind the related capital expenditures and the requirements for inventories, has probably passed its peak. In addition, we cannot overlook the fact that our export trade which remains a fundamental influence in Canadian business has not been quite as good this year as in 1952. It is true that exports to the United States have increased significantly. On the other hand, sales to overseas countries have been lower and the decline in this direction has more than outweighed the increase in shipments to our southern neighbour. We in this favoured country have again been blessed with big crops of grain but it is perfectly clear that we are faced with a real problem of disposing of our plentiful output.

Questions about the Outlook

So, though the business picture is one of expansion and prosperity, developments have not been entirely favourable and there are a number of questions which arise concerning the outlook. To my way of thinking, the main questions may be summed up under three headings. The first is that most of the basic products of our export industries are less scarce, and in the case of grains more plentiful, than they have been at any time in the postwar period. The second is that accumulated demands for durable "consumer goods" and for industrial plant and equipment have been notably reduced. And the third is the possibility of some reaction in U.S. business.

Basic Exports Less Scarce

That the products of our great export industries are less scarce is evident in the much increased supplies of grain, in the decline of prices for some of the base metals and for pulp and lumber from their earlier peaks, and in the fact that the users of most of the commodities which we export in volume now show much less concern about the availability of future supplies. Throughout most of the postwar period we in Canada have been in the position of selling a number of scarce basic commodities which the world urgently needed from us and which even the dollar-short countries found it necessary to buy. Though our basic exports are still in reasonably good demand, there are more alternative sources of supply and the special demands for metals associated with the defence programs of the western world have eased at least for the time being. In the case of wheat, the development of a surplus reflects both the big crops in this continent and the increased production of importing countries and competing exporters in the southern hemisphere. And at the other end of the scale, even aluminum which has been really scarce for some years is in better supply. It is a natural, and indeed a healthy, development that postwar scarcities of basic commodities should be gradually overcome. But we should recognize that the change from a climate of shortages to one of more adequate supplies means that Canadian business may be more sensitive than it has been in recent years to changes in external economic conditions and that the incentive to push ahead with new resource developments may be somewhat lessened.

Backlogs Largely Filled

The second question—that concerning the demand for durable "consumer goods" and for industrial plant and equipment—arises out of the fact that the community is better supplied with automobiles and household appliances than ever before and that industry has for some years been engaged in a major program of expansion and re-equipment. Though the economy is growing quite rapidly and real income has been rising, the possibility of some temporary reduction in such demands cannot easily be dismissed. A number of branches of the manufacturing industries have completed, or are well along with, major programs of expansion and modernization. The backlogs, or past accumulations, of demand for automobiles and household appliances have been fairly well met and the recent high level of sales has depended to a significant degree on an expanding volume of consumer credit. I would hesitate to express the view that the proportion of consumer credit to sales of durable items is unduly high. But I believe we should be unwise to ignore the fact that we have had another marked upsurge of buying and that past experience suggests that such waves of buying are usually followed by reactions and seldom if ever by a levelling-out at or around the peak.

Effect of U.S. Conditions

The third question is the widely discussed possibility of some downturn in U.S. business. Of course, no one knows when such a decline may occur and what proportions it may assume. There are many imponderable factors in the outlook and the most important of all is the uncertain state of international relations. Increased international tension could, indeed, lead to a renewal of inflationary pressures. Moreover, the present state of business conditions in the United States is good: employment and income are at high levels, corporate earnings are favourable, and capital investment remains large. Nevertheless, there are some warning signs in the U.S. picture and we cannot rule out the possibility of a period of readjustment. And if there is a readjustment in the United States, it would be bound to have some effect on this country. Because of the more ample supplies of the commodities which comprise our main exports and because in Canada as in the United States there is some question about the future demand from individuals and businesses for durable and capital goods, our economy is likely to be more sensitive to U.S. developments than was the case, for example, during the mild U.S. recession of 1949.

The possibility of some unfavourable tendencies in the near-term future is no reason for undue concern. Economic growth is never an even process. Expansion in some directions does at times get out of line with the rest of the economic structure, and on such occasions readjustments are natural and necessary. In the circumstances, however, it should be recognized that competition may well become even keener than it has been both in export markets and in the domestic market. Such a prospect places special emphasis on the importance of keeping costs in hand, of increasing efficiency, and of putting even more effort and ingenuity into selling.

Underlying Growth of the Canadian Economy

Though there may be some difficulties on the road ahead, it is essential that we should keep our perspective and not lose sight of the strong elements in the Canadian picture. As I pointed out earlier, our population and our production have been growing rapidly. There is a real momentum in our economic growth. Rising population in itself provides a strong underlying stimulus to economic expansion. Then, too, the notable growth in our production of such basic fuels as oil and natural gas and hydro electric power, as well as our rising output of many important industrial materials, is laying the basis for further industrial development. Given peace and a forward-looking attitude in our trading and immigration policies, we in Canada can look forward to a much bigger population and to a further great development of resources and industry.

25 Million People by 1980

In an effort to assess the longer-term possibilities, our economics department recently made some projections of population and production. These suggest that in about twenty-five years—around 1980—Canada might have a population of 25 million people and a production in excess of two and one-half times the present quantity of national output. These may sound like big expectations but I do not think they are at all extravagant in the light of the opportunities open to us. It is true that they are based on two fundamental assumptions: that the bulk of the basic commodities which we produce will during most of the next quarter century be in reasonable demand in world markets; and that we shall not encounter a major depression like that of the 'thirties though we shall no doubt have times of recession and readjustment. If these assumptions turn out to be wrong, the estimates may be too high. But they appear to be sensible assumptions and if conditions are favourable we could do even better. In some ways, indeed, the estimates are conservative: for example, they assume that the rate of technological progress will be the same in the next twenty-five years as during the past quarter century though there is a good deal to suggest that it may turn out to be more rapid. There is clearly a considerable range of possibilities. The important point is that we recognize that we are living in a country with great potentialities of growth and that we should guide our thinking accordingly.

Good Long Range Outlook Should Guide Thinking

Admittedly, a favourable long-range outlook does not ensure us against unfavourable short-term developments. But the momentum of our growth is a real sustaining influence should conditions temporarily take a turn for the worse. And what is most important is that the strong long-term prospect should help us to keep our perspective and to check unreasoning pessimism in the event of any business reaction. It took us a long time to recover from the excess of caution and skepticism about our future which we inherited from the Great Depression. It is to be hoped, and I think expected, that our rather recently restored confidence in the future of this country will stand the test of such unfavourable developments of a passing character as may sooner or later come our way.

U.S. Should Take Good Look at Trade with Canada

Because this current deficit has been accompanied by a substantial inflow of capital, it has not resulted in any serious decline in the official holdings of gold and U.S. dollars which are still close to $1,800 millions. Nor is there anything unnatural about borrowing abroad when we in this country are engaged in a huge program of resource development which will add gradually but substantially to our export capacity. But I do think that some of our friends in the United States who are currently proposing new restrictions against imports, including such important Canadian products as lead and zinc, frozen fish fillets, and oats, should take a good look at their trading relations with Canada. They should observe that their current transactions with Canada result in a surplus for them now running at considerably over $1,000 millions per annum. They should realize that our ability to buy from them—and we are by far their largest customer—depends to a great extent on our ability to sell to them. And they should also realize that our ability to settle deficits with them depends on our ability to sell to other countries whose capacity to pay us in turn depends to an important degree on these other countries obtaining better access to the U.S. market. They should reflect on the obvious fact that demands for protection against U.S. imports are growing in this country, in part because their market is so difficult for many of our producers to enter and also because of the threats that are too frequently raised against Canadian products which have gained a position in the U.S. market. Because of our close connections with the United States and of the very friendly relations between the peoples of the two countries, we in Canada are often disinclined to press criticism of U.S. commercial policies. But in view of recent developments, I believe that the time has come for plain speaking.

New Branches and Premises

Returning to the Bank's position, the growth in our assets and volume of business has been accompanied by a further development of our branch system, both in respect to new branches and to improvement of premises. During the banking year, we opened 10 branches and closed one. This brings the number of new branches opened since the end of the war to 130 and the total number of branches as of October 31st to 403, in addition to which we have 12 sub-offices.

As well as providing quarters for our new branches, we have renovated a considerable number of older buildings in order to continue rendering a high level of service to the public and to provide more efficient and pleasant working conditions for our staff. Noteworthy in this category are Sydney and Saskatoon Branches which have been substantially enlarged and improved. Among our locations where the construction of new buildings has been undertaken during the year, particular reference should be made to Hamilton where a structure befitting the importance and progress of that city is now nearing completion.

An Efficient and Loyal Staff

At the end of the fiscal year, our staff consisted of 2,697 men and 2,898 women, a total of 5,595. This is an increase of 186 over a year ago and is in line with the current growth of our business including the opening of the new branches to which I have referred.

Despite the keen competition for the services of school and university graduates arising out of a fast-expanding economy, we continue to receive a steady flow of recruits of good calibre. What I said a year ago regarding the excellent opportunities in our Bank for young men of character, ability and ambition is certainly no less applicable today. Present commencing salaries for junior clerks are attractive and, with rapid advancement open to those who possess aptitude and a willingness to work and study, banking offers a career not only of absorbing interest but of unusual promise.

The courses in Practical Banking for men at the senior levels established in Toronto during 1952 are being continued with beneficial results. Courses of this type, I believe, fill a long felt need and their usefulness both to the men concerned and to the Bank as a whole is becoming evident.

During the year I have had the opportunity of meeting more of my fellow-workers in the Bank and of renewing friendships with many others. I am continually impressed with the quality of the men and women working for the Bank, with their sense of loyalty and "esprit de corps". Our staff are doing a splendid job. The results of the year's operations and the good relations the Bank enjoys with its customers across this country and abroad are complete evidence of the efficiency with which they are fulfilling their tasks.

From the outset of the construction of our new General Office building our planning has contemplated preservation of space for a memorial to members of the staff who died in the two World Wars. The Memorial Room, containing a beautifully illuminated Book of Remembrance, was formally dedicated in a Service of Remembrance on September 24th last. This dedication brought about the fulfillment of a long-cherished plan to honour our War Dead and is a lasting profession of our pride in their devotion and of sorrow in their sacrifice.

"At the going down of the sun and in the morning we shall remember them."

Production Growth Big Factor in Increased Bank Lending

But Upsurge in Consumer Credit May Affect Future Sales, C. Sydney Frost, General Manager Tells Annual Meeting

AS YOU will see from our General Statement and Profit and Loss Account, the Bank's record during the past year is a good one and reflects the active state of business and the economic growth of the country to which the President has referred. Our Assets are at a new high, Loans have increased substantially, and Profits show a significant improvement.

Total Assets at our year-end are $965 millions, representing an increase of about $51 millions or 5½% during the banking year. This is a somewhat greater increase than during the immediately preceding banking year though not as large as that which occurred during the year ended October 31, 1951. As a matter of fact the percentage increase in our Total Assets last year—of 5½%—is just about the same as the average annual rate of increase during the preceding seven years of the postwar period.

C. SYDNEY FROST
Vice-President and General Manager
The Bank of Nova Scotia

The main increase in assets is in Loans, which at $538 millions, are up $94 millions. The great bulk of this increase is in Current Loans in Canada, though there were also gains in Call and Current Loans outside the country. Though our Deposits rose considerably, it was necessary to sell some of our Investments to finance these new lending opportunities. Investments declined by $44 millions and now stand at $210 millions, of which $166 millions are direct or guaranteed securities of the Government of Canada.

On the liability side of the Statement, Deposits show a considerable advance. Excluding the balances of other banks, they amount to $864 millions, which is $44 millions, or 5½%, more than a year earlier. Because of the notable success of the latest Canada Savings Bond campaign there was a significant shift from deposits by the public to Federal Government deposits at our year-end and for this reason about one-third of the increase in our total deposits is in balances held by the Federal Government. It is to be hoped that the Government will find it possible to maintain larger balances in its accounts with the chartered banks than has been the case in the last few years when Government balances have frequently been low and on occasion close to the vanishing point.

Earnings Up

Our earnings show a significant improvement, largely reflecting the active lending business. Profits after taxes were a shade over $3 millions as compared with about $2½ millions in the preceding year. After provision for the regular dividend of $1.60 per share and an extra distribution of 20¢ per share payable on January 2, 1954, there is $311,000 to be added to Profit and Loss Account. This addition would have brought the balance in Profit and Loss Account to over $4 millions and in the circumstances the Directors considered it advisable to transfer $3 millions to Reserve Fund. Our Reserve Fund is now $33 millions and the total of paid-up Capital and Reserve is $48 millions.

I should also draw your attention to the treatment of taxes in the Profit and Loss Account. In the past, foreign income taxes were deducted before showing profits in Profit and Loss Account though Canadian income taxes were shown as a separate item for deduction in that Account. In the present year, however, profits are shown before deduction of foreign income taxes and the provision for income taxes as expressed in the account is now the total of Canadian and foreign income taxes rather than Canadian taxes alone. I think you will agree that this is a more logical and intelligible way of presenting the figures.

Recent Expansion of Bank Lending

Turning to the national financial picture, the most significant development of the past twelve months has undoubtedly been the notable rise in bank loans. From September 30, 1952 to the end of September last, total loans of the chartered banks in Canada rose by some $650 millions to nearly $3,900 millions. It will be remembered that bank loans began to increase after the various credit and fiscal restraints were removed in the spring of 1952. At first the rise was comparatively small but it became substantial in the fall of last year and the movement has continued strongly upward this year.

There are a number of factors behind this increase in bank lending. The further growth of the economy has been of fundamental importance —there has been more production to finance. Clearly, however, the rise in loans during the past twelve months has been disproportionate to the growth in the national output. In part, this may be explained by the fact that the earlier credit and fiscal restraints resulted in some accumulation of credit demands which made itself felt when the restraints were removed. From the spring of 1951 to the spring of 1952 there was no increase in bank loans though the national production and income showed a material advance. To an important extent, also, the recent marked upturn in loans reflects the fact that there is a considerably larger supply of grain to be financed. And to a substantial degree, the sharpness of the increase results from the very pronounced expansion in consumer credit.

Nature of Increase in Lending

Reflecting the further growth of production, loans to industry rose by $146 millions during the twelve months up to September 30th and there were smaller, though significant, increases in loans to farmers, construction contractors and for other business purposes. Loans to grain dealers increased by no less than $124 millions. In addition, there were major increases in bank loans to merchandisers (of $112 millions), to instalment finance companies (of $100 millions) and to individuals for other than business purposes (of $70 millions). To a large extent, the upturn in these three categories reflects the expansion in consumer credit. In the case of loans to instalment finance companies, the bulk of the increase was no doubt used for the financing of consumer purchases, though these companies also finance business purchases as, for example, trucks and farm machinery. Presumably, much of the increase in loans to individuals for other than business purposes represented credit related to the past or current purchase of goods and services. Some of the increase in loans to merchandisers was undoubtedly used for the financing of customers' purchases, though larger inventory requirements also played a significant part in the rise. It is not possible to say just how much of the increase in bank loans was used for consumer credit but it is probable that something like a third of the rise in the twelve months up to September was used for such purposes.

Consumer Credit Sharply Increased

The increase in consumer credit has, of course, been much greater than the related rise in bank loans. Statistics of the amount of consumer credit outstanding are not available beyond June 30th. In the twelve months up to that date, however, consumer credit outstanding had risen by over $500 millions and, if we go back to March 31, 1952 when the current upsurge began, the increase over the fifteen months was a full $700 millions. At this time last year, I expressed some concern about the sharpness of the increase which had occurred in the second quarter of 1952. The continuance of marked expansion in the following twelve months gives added point to such a questioning attitude.

Current Sales May be at Cost of Future Sales

I would not suggest that the increase was unsound from a credit point of view. Credit granted by finance companies is usually secured by the goods concerned and, what is of most importance, is that the buyers are generally quite capable of making their repayments so long as the level of income remains anywhere near that now prevailing. The point that concerns me is the effect of such a sharp increase in consumer indebtedness on the ability of the public to maintain their purchases of durable items. Repayments cut into current purchasing power and beyond a certain point a buyer cannot go on adding to his indebtness. Admittedly, our economy is growing and incomes and living standards have been rising and in these circumstances a gradual increase in consumer credit should provide no cause for concern. But the fact is that the increase has been anything but gradual—70% in fifteen months—and though we can regard it in part as a rebound after a period of restriction it is probable that we have been building up current sales to some extent at the expense of future sales.

It is sometimes suggested that the substantial rise in savings deposits which has, indeed, paralleled the upswing in consumer credit provides an offset to the increase in indebtedness. In one sense, this is true. The net rate of saving by the community in the form of bank deposits, insurance and in other directions has in fact been well sustained despite the rise in the outstanding amount of consumer credit. But it does not follow that those who are going into debt to buy automobiles, television sets, and home appliances are the same people who are increasing their savings. Many people, of course, buy on the instalment plan and at the same time keep up their insurance premiums and contributions to savings and retirement plans. But I doubt if there are nearly so many who build up their savings deposits at the same time that they are buying on credit. In my view, it is probable that much of the increase in liquid savings is in the hands of people who are not buying heavily on credit. If this is the case, it certainly cannot be taken for granted that those who are adding to their liquid savings will be ready to increase their purchases as the buying capacity of those who have been going into debt is reduced by the growth of their obligations for repayment.

Rise in Money Supply in Line with Gain in National Output

Though the recent increase in bank loans has been relatively greater than the rise in the value of the national production, the increase in the total money supply has not been out of line with the growth of the economy. From September 1952 to September 1953, the total of currency and bank deposits in the hands of the public—that is, the supply of money—rose by 5%, and the increase in the value of the national output was of roughly the same proportions. Actually, the money supply rose by $480 millions to $9,600 millions. This is almost exactly the same increase as that which occurred in the preceding twelve months from September 1951 to September 1952.

The increase in the money supply was not as large as the advance in bank loans because there was a reduction in bank holdings of securities. In the twelve months up to September last, bank holdings of Government of Canada securities declined by $185 millions and of other Canadian securities by about $90 millions. This is in marked contrast to the preceding twelve months when the main factor behind the rise in the money supply was a considerable increase in the security holdings of the banks. One of the important developments behind this reversal in the movement of bank holdings of securities is the fact that the pressure on the capital market this year has been relieved by a substantial net inflow of external capital. Whereas during most of 1952 Canada was running a surplus in her current transactions with the rest of the world, this year there has been a significant net deficit which has been covered by an influx of capital.

Canada's Deficit with U.S. Over Billion

Though the influx of external capital has helped to reduce the pressure on the domestic money supply, and has also worked to sustain the exchange rate on the Canadian dollar, the sudden change from a surplus in our current transactions to a substantial deficit gives pause for thought. Last year Canada's current transactions with the rest of the world showed a positive balance of about $150 millions. This year, judging by the figures available to date, a deficit of the order of $500 millions seems likely. Last year, we had a very large surplus in our transactions with overseas countries which more than offset a deficit with the United States of some $850 millions. This year, our overseas exports have declined and the deficit in our current transactions with the United States, including "invisible" items in addition to trade, has been running at an annual rate well in excess of $1,000 millions.

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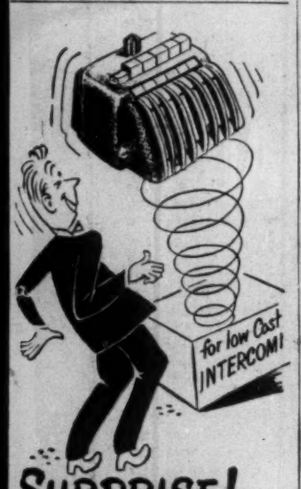

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CONSTRUCTION TRENDS By HARLEY POTTER

Board Room Table Rises Mysteriously Into Ceiling

"Organic architecture" is the keynote of a startling office building with which a Vancouver advertising agency is going to advertise itself as well as house its operations.

O'Brien's Advertising Ltd. claims that its new quarters will be "one of the most modern advertising agency buildings on the continent."

A sample of what they have in mind is the board room table. The board room is combined with a theatre for showing movies, TV and the like. When it's time for the movie, the chairman just pushes a button, and presto, the conference table disappears into the ceiling.

The table is thus part of the building. It blends into the ceiling design, and makes more room below. An electronic device controls the table.

Robert R. McKee, a Vancouver architect who specializes in this "organic" type of architecture, is drawing the plans. He will also execute a 100-ft. long mural for the building, which in the first stage will be two stories high.

The full-color mural will be 25 feet deep. Subject will be "the complete story of modern-day advertising and public relations," which is undoubtedly something new in mural subjects and lends support to the agency's claim that it will be "unique."

But the method is the main novelty about the mural. McKee will use the "scraffito" process, utilizing the wall surface before the finishing is dry to lay out his work. This, it's claimed, will be the first such use of the process in Canada. It gives a "spectacular" dimensional effect. (The foyers will also have space for exhibitions of current art production).

The building will front on both Pender and West Georgia (1400 block), and entranceways from both streets will lead into the 100-ft. long mural room and foyers.

Both the Pender and Georgia frontages will be 95% glass from ground level to top story.

Polished steel sections will be visible on some parts of the interior, creating a web-like design. Light steel trusses will be used with reinforced concrete for the frame of the building, and roof and floors.

Other features of the organic architecture are an obstruction-free interior floor plan to permit steamlined departmentalization. There will be "maximum" natural light and air conditioning throughout the structure.

Floor area is not stated.

Construction is to start in early February with completion in five months.

* * *

Engineer, Architect Starting Pay Varies

Spread of starting salaries is somewhat greater for newly-graduated civil engineers than architects. The engineers start at both lower and higher salaries. Their average salary is somewhat higher than architects and all engineers as a group.

That is the picture which a Government survey for this year gives.

Average starting salary for a civil engineer is $297, for an architect, $265. Here are the complete figures:

Monthly Starting Salaries 1953

	Architects	Civil Eng.	All Eng.
High	$335	$390	$400
Low	215	210	195
Median	265	300	285
Average	268	297	287

* * *

Safe Stone Tossing For Glass Houses?

"Cellular stoneware" building block made of rich lime mixed with siliceous aggregates, with "hardening resulting exclusively from the production of calcium hydrosilicates in an autoclave."

That product, by a Belgian firm, is one of a number of construction items and inventions offered for manufacture in Canada recently through the Canadian Government.

Others include: secret-formula fire-resistant paint from Belgium, used on the ocean liner "Nieuw Amsterdam"; another Belgian fire-resistant paint; an electro-magnetic lock; an Austrian cement waterproofer and air entraining agent; a door jamb light.

A real tantalizer is a "new glazing device which provides elasticity for window glass."

* * *

Why Not New Bath For Yuletide Gift?

Editor Arthur Ellwood of Sanitary Engineer, Plumber and Steamfitter chides 50 Canadian plumbing and heating manufacturers whom he surveyed. Not one has a plan to help promote Christmas sales of plumbing fixtures or heating equipment.

"Perhaps this industry prefers to stand aloof or possibly its members feel that its products do not suit the Christmas gift buying motive?" he asks in an editorial. This may be true of many standard and heavy items, but then many items now recognized as suitable Yuletide gifts "did not get there by accident," he points out.

STE. ADELE, QUE. School Commission has sold $155,000 4% bonds due Dec. 1, 1954-68, and $35,000 4½% due 1969-73, to La Corp. de Prets de Quebec, J. E. Laflamme Ltd. and Grenier Ruel & Co. at 95.96. Net cost 4.83%. Proceeds for construction of school. Provincial grant of $93,600 payable in six annual installments. Net funded debt $9,500 at June 30, 1953; population 3,724.

ALUMINUM CO. OF CANADA reports 509,717 4% cumulative redeemable sinking fund first preferred shares outstanding at Nov. 19.

Defense Contracts

Here is a list of defense contracts for $10,000 or more awarded to Canadian firms by the Department of Defense Production and Defense Construction (1951) Limited for the first half of November.

The list, totaling $9,027,642, does not include contracts classified for security reasons or amendments to contracts.

Contractor — Commodity	Value
A.B.C. Packing Co. Ltd., Vancouver, canned salmon	$33,300
Abercorn Aero Ltd., Montreal, seat pack containers	56,426
Abercorn Aero Ltd., Montreal, life rafts	69,030
Acton Rubber Ltd., Acton Vale, Que., footwear	111,108
Aviquipo of Canada Ltd., Montreal, buttons and dies	12,763
British American Oil Co. Ltd., Toronto, fuel oil	39,120
B.C. Packers Ltd., Vancouver, canned salmon	39,797
Canada Packers Ltd., Halifax, dairy products	23,929
Canada Packers Ltd., Toronto, meat	25,159
Canada Packers Ltd., Victoria, dairy products	13,834
Canada Wire and Cable Co., Ottawa, electric cable	24,476
Canada Wire and Cable Co., Ottawa, electric cable	18,667
Canadian Arsenals Ltd., Ottawa, tungsten carbide	263,227
Canadian Aviation Electronics Ltd., Montreal, batteries	13,720
Canadian Canners Ltd., Hamilton, food	11,820
Canadian Converters Co., Montreal, pyjama trousers	19,200
Canadian General Electric Co. Ltd., Toronto, radio compasses	146,226
Canadian Oerlikon Agencies, Ottawa, guns and spare parts	30,308
Canadian Pittsburgh Industries Ltd., Montreal, paint	10,516
Chrysler Corp. of Canada, Windsor, automotive spares	800,000
La Confection Frontenac Enrg., St. Romain, Que., overalls	101,700
Corrosion Service Ltd., Toronto, magnesium anodes	37,082
Ivan Crouch, St. James, Man., rental of road equipment	10,000
Cruickshank-Guild Ltd., Montreal, food	34,566
Danforth Bus Lines, Toronto, transportation facilities	17,000
DeHavilland Aircraft of Canada Ltd., Toronto, aircraft spares	75,000
DeHavilland Aircraft of Canada Ltd., Toronto, aircraft	490,191
Dominion Rubber Co., Montreal, hose	46,304
Dominion Rubber Co., Montreal, hose	14,259
Electronic Associates Ltd., Willowdale, electronic stores	35,566
Engineering Products of Canada Ltd., Montreal, ammunition components	158,796
Federal Wire & Cable Co., Guelph, electric cable	11,865
Federal Wire & Cable Co., Guelph, electric cable	28,338
Firestone Tire & Rubber Co. of Canada, Hamilton, tires	80,984
First Co-Operative Packers of Ontario Ltd., Barrie, meat	11,192
Frontenac Overall Ltd., St. Evariste Stn., Que., overalls	90,400
M. W. Graves Co. Ltd., Bridgetown, N.S., food	14,374
Halifax Shipyards, Halifax, annual repairs to ship	368,000
House of Otho Gibbons, Dartmouth, filing cabinets	30,669
Imperial Spring & Mattress Mfg. Co., Toronto, mattresses	14,013
Irvington Varnish & Insulator Co. of Canada Ltd., Hamilton, packing material	16,190
Walter Kidde & Company of Canada Ltd., Montreal, repair & overhaul of gun chargers	10,000
Kingston Suppliers, Vancouver, food	12,738
A. C. Leslie & Company Ltd., Montreal, aluminum alloy sheets	16,133
Marine Industries Ltd., Sorel, spare parts for steam engines	35,168
Marine Industries Ltd., Sorel, spare parts for steam engines	45,205
Master Craft Uniform Co., Quebec, battledress blouses & trousers	532,468
McGregor Shirt Co. Ltd., Hamilton, pyjama trousers	27,882
Modern Tool Works Ltd., Toronto, thread milling machine and attachments	21,510
Nelson Bros. Fisheries Ltd., Vancouver, canned salmon	22,410
North American Cyanamid Ltd., Montreal, medical supplies	47,928
Northern Electric Company Ltd., Ottawa, electric cable	24,415
Northern Electric Company Ltd., Ottawa, rectifiers	16,240
Ottawa Plumbing & Heating Ltd., Ottawa, modification of heating system	10,999
Plymouth Cordage Co. of Canada Ltd., Toronto, nylon towline	115,277
Progressive Engineering Works Ltd., Vancouver, ground handling equipment	28,760
Rubenstein Bros. Ltd., Montreal, overcoats	276,365
Sainthill-Levine & Co., Toronto, shirts	13,062
Scott Clothing Co., Longueuil, naval uniforms	105,180
Shell Oil Co. of Canada, Toronto, fuel oil	24,000
Sherwin Williams Co. of Canada, Montreal, paint	12,354
Robert Simpson Co., Toronto, overalls	156,315
C. R. Snelgrove Co., Toronto, electronic crystals	42,108
Stewart-Warner Corp. of Canada Ltd., Belleville, electronic equipment	153,034
Terry Machinery Company Ltd., St. Laurent, auxiliary power unit spares	12,422
Thompson Aviation Services, Kitchener, modification kits	202,796
Universal Construction Co., Winnipeg, rental of machinery	10,000
Western Excavating Co., Calgary, rental of machinery	10,000
Western Excavating Co., Calgary, rental of machinery	10,000
Yamaska Shirt, St. Hyacinthe, shirts	55,900
Yamaska Shirt, St. Hyacinthe, pyjama jackets	26,790
Yarrows, Victoria, docking & annual repairs to ship	700,000
Contracts Awarded by Defense Construction (1951) Ltd., Nov. 1-14 inclusive	
Argo Construction Co. Ltd., Montreal, hangar	676,332
Armstrong Bros. Construction, Brampton, taxiway and parking area	41,496
Bennett-Pratt Ltd., Weston, synthetic training building	217,627
Burns & Dutton Concrete & Construction Co. Ltd., & Shrubsall Supply Co., Edmonton, parts for bulk fuel storage	189,410
Canadian Rogers Western Ltd., Winnipeg, re-roofing	16,850
Diamond Construction Co. Ltd., Fredericton, landscaping, paving, and installing water, sewer and electrical systems	66,418
Dominion Steel & Coal Corp., Montreal, fencing	19,649
Fundy Construction Co., Halifax, fire hall and garage	43,260
Northern Roofing & Metal Workers, Saint John, alterations to buildings	63,300
J. A. Poissant & Sons Ltd., Verdun, roofing	10,475
Poole Construction Co. Ltd., Edmonton, transmitter building	190,960
Provincial Enrg. Ltd., Hamilton, electrical system	86,404
Quebec Power Co., Quebec, electrical sub-station	172,000
Sterling Construction Co. Ltd., Windsor, warehouse	790,742
George F. Turner, Cobourg, service station	10,945

These Debentures having been sold, this advertisement appears as a matter of record only.

New Issue

$25,000,000

General Motors Acceptance Corporation of Canada, Limited

4¾% Debentures due 1969

(Unconditionally guaranteed as to principal, interest, and redemption premium, if any, by General Motors Acceptance Corporation, a New York corporation)

To be dated December 15th, 1953 — To mature December 15th, 1969

Principal and half-yearly interest (June 15th and December 15th) and redemption premium, if any, payable in lawful money of Canada at any branch in Canada of the Company's bankers, at the holders' option. Coupon Debentures registerable as to principal only and fully registered Debentures in denominations of $1,000 and authorized multiples thereof.

Redeemable prior to maturity in whole at any time or in part from time to time at the option of the Company on not less than thirty days' notice at the principal amount thereof plus a premium of 4.75% if redeemed on or before December 15th, 1954, and thereafter at premiums declining .50% of the principal amount for each year elapsed or commenced from December 15th, 1954, to the date fixed for redemption and to and including December 15th, 1957, and thereafter at 102.80 if redeemed on or before December 15th, 1958, and thereafter at premiums declining .30% of the principal amount for each year elapsed or commenced from December 15th, 1958, to the date fixed for redemption and to and including December 15th, 1966, and thereafter at 100, together in each case with accrued interest to the date fixed for redemption.

Trustee: Montreal Trust Company

A Prospectus, a copy of which has been filed with the Secretary of State of Canada in accordance with the provisions of the Companies Act, will be furnished promptly upon request.

We, as principals, offer these Debentures, subject to prior sale and change in price, if, as and when issued and accepted by us and subject to the approval of all legal matters by our Counsel, Messrs. McCarthy & McCarthy, Toronto, who will rely in matters of United States law on the opinion of Messrs. White & Case, New York, and subject to the favorable opinion as to all legal matters of the Company's Counsel, Messrs. Beaton, Bell & Leake, Toronto.

Price: $100 and accrued interest

It is expected that Debentures in interim form will be available for delivery on or about December 15th, 1953.

Wood, Gundy & Company Limited — Harris & Partners Limited

Dominion Securities Corpn. Limited — A. E. Ames & Co. Limited — Nesbitt, Thomson and Company, Limited — Greenshields & Co Inc

McLeod, Young, Weir & Company Limited — W. C. Pitfield & Company Limited — Royal Securities Corporation Limited — James Richardson & Sons

Gairdner & Company Limited — Bell, Gouinlock & Company, Limited — Mills, Spence & Co. Limited — Midland Securities Corpn. Limited

Cochran, Murray & Co., Limited — Pemberton Securities Limited — Osler, Hammond & Nanton Limited — Burns Bros. & Denton Limited

L. G. Beaubien & Co., Limited — R. A. Daly Co. Limited — Equitable Securities of Canada Limited — René-T. Leclerc, Incorporated

Bankers Bond Corporation Limited — Ross, Knowles & Co. — Walwyn, Fisher & Co. Limited — Fry & Company

Credit Interprovincial Limitée — Bartlett, Cayley & Company Limited — Savard, Hodgson & Co. Inc. — Collier, Norris & Quinlan Limited

Dominick Corporation of Canada — Dawson, Hannaford Limited — Geoffrion, Robert & Gelinas, Inc. — Houston, Willoughby & Company Limited

Wills, Bickle & Company Limited — The Western City Company Limited — Yorkshire Securities Limited — Lagueux & DesRochers Limitée

J. C. Boulet, Limitée — Eastern Securities Company Limited — F. J. Brennan & Company Limited — Stanbury & Company Limited

Cornell, Macgillivray Limited — Oldfield, Kirby & Gardner Limited — Tanner & Co. Limited — Peter D. Curry & Co. Limited

McMahon and Burns Limited — Odlum Brown Investments Ltd. — Thomas B. Read Company Ltd. — Okanagan Investments Limited — Hagar Investments Limited

Automatic Shelves Push Corn Flakes At Shopper

Groceries make more money in a recumbent position than standing bolt upright on the shelf.

That's the theory behind automatic shelving being introduced to Canada by a U. S. merchandising organization which bought and is expanding a Canadian food chain.

Seven new stores announced for completion next year by Grand Union-Carrolls Ltd. of Hamilton will have "Food-O-Mat" shelving. There are none of the shelves in Canada now.

The corn flakes, canned peas or soap flakes lie on tilted shelves, each shelf disappearing upward behind the one above it. The housewife on her weekly shopping mission takes her purchase from the shelf. Another box, can or bottle slides into place from above, by force of gravity.

Saving of 35% in total grocery space is claimed: The method provides increased sales and profits; the shopper can select what she wants without trudging down long aisles of merchandise.

As long as she sees what she wants and gets it, she doesn"t care how much more of it is on display, says President Ralph Lytle of Grand Union-Carroll"s Ltd.

"And stores are getting so big these days," he adds. The shopper thus gets her shopping done a lot faster as well as saving her time.

The store is a lot cleaner, no more perilously piled mountains of goods in the aisles.

Some Hitches

It isn't a labor saving device for the store though. Employees must keep popping goods in at the top of the shelves, from behind.

There might be four rows of peas, with 19 cans in a row. Only two cans in each row could be seen by the shopper.

Tilt of the shelf varies with the product being sold. A box of cornflakes takes a bigger angle from the horizontal to slide into place. A can of peas slides with ease in a less inclined position.

There is sometimes an unseen flaw in the bottom of the ketchup bottle, with possible messy results.

Grand Union does use Food-O-Mat in the U. S. for bottles and jars, but Lytle may have separate glass goods departments of the orthodox variety.

The president of the parent firm, Grand Union Ltd., invented the Food-O-Mat and its cousins in the drug and other trades.

Grand Union also owns the corporation which makes the equipment. They may be manufactured in Canada later, and are now being offered for sale to other food stores besides the company"s newly-acquired Canadian subsidiary.

Hopes To Double Sales

Grand Union bought Carrolls Ltd., a 31-store food chain, last May and expects to double its sales by next May. (The Financial Post, Nov. 7). It has now announced a new store for Ingersoll, Ont., and another one in Hamilton, where it has 16.

Each store will be in the 8,000-10,000 sq. ft class. The Ingersoll market will have parking for about 300 cars.

Both will have completely self-serve meat markets, which are an up-to-the-minute, but not exclusive, feature in Canada.

Other markets scheduled for completion next year are at Aylmer, Ancaster, Grimsby and Strathroy, Ont., and one in the Toronto suburb of Weston.

Interests of Employee Clouded By Union Struggle for Power

A prominent Ontario labor consultant and conciliator last week said it was time management began making more demands on labor in return for the higher wages and improved working conditions that have been granted in recent years.

Eric Taylor told the Automotive Transport Association of Ontario that management must start analyzing labor demands to see which demands were coming from employees and which were coming from unions as part of a long-range strategy for more power.

Manage.nent has made nearly all the concessions it can make to labor, Mr. Taylcr said. "It's about time you tossed the ball to labor and let labor carry it for a while."

Employers must develop greater competence in labor relations and must make it clear to the employee that the business is conducted as much for his sake as it is for the stockholders and management, he declared.

Management representatives who deal with unions should be better trained, he said, to offset the growing influence of union organizers who can make demands which are to their own advantage and so exert a disproportionate influence in negotiations and in labor legislation.

This was all part of what Mr. Taylor saw as a danger to Canadian progress—the transfer of influence from the employer to the unions instead of to the employees.

Canadian trade unions are immature compared with those in the U. K., he said.

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

Entertainment

MARCUS LOEW'S THEATRES LTD. net profit of $89,438 for year ended Aug. 29, 1953, was 5.3% higher than previous fiscal year's net of $84,944.

An extra dividend of $1 per common share has been declared payable Dec. 31.

Annual meeting is Dec. 11.

INCOME ACCOUNT

Periods Ended:	Aug. 29 1953	Aug. 28 1952
Net earnings	$265,105	$276,930
Less: Depreciation	18,124	19,673
G'will, etc., w/o	41,000	41,000
Tax reserve	116,543	131,313
Net profit	†89,438	84,944
Less: Com. divds.	37,500	37,500
Surplus for year	56,688	47,444
Earnings per Share and Dividend Record:		
Common	$11.93	$11.33
Paid	4.00+1.00	4.00+1.00

†Company's report shows net profit of $94,188 which includes profit of $4,750 on disposal of bonds.

CONDENSED BALANCE SHEET

As at:	Aug. 29 1953	Aug. 28 1952
Cash	$210,320	$120,368
Accts. rec.	300	300
Dom. bds.	567,458	573,187
Total curr. assets	778,078	693,855
Misc. assets	16,735	8,273
Goodwill, etc.	381,000	422,000
Fixed assets*	953,719	957,432
Total assets	2,129,552	2,081,560
Total curr. liab.	96,257	104,954
Pref. red. res.	653,900	653,900
Capital stock	750,000	750,000
Surplus	629,394	572,706
*After depr. of	1,256,304	1,238,181
Working capital	681,821	588,901

Glass

CONSUMERS GLASS CO. net profit of $657,858 for year ended Aug. 31, 1953, was 7.5% higher than previous fiscal year's net of $611,875.

Increase in net income was the result of a sales increase and a small decrease in income taxes, reports President E. J. Brunning. A reserve of $85,000 for contingencies was provided in connection with starting-up expenses of the new plant being built near Toronto.

Capital expenditures during the year totaled $417,659, major portion being for reconstruction of company's No. 4 glass furnace. This completes the $2 million postwar program of modernization and expansion at the Ville St. Pierre plant.

Cost of production of glass containers increased during the year, the president notes, due chiefly to wage increases and higher prices paid for certain materials and supplies.

INCOME ACCOUNT

Years Ended Aug. 31:	1953	1952
Net oper. earnings	$1,717,736	$1,496,525
Add: Other income	16,234	15,235
Less: Deprec.	246,617	186,031
Cont. reserve	85,000	.....
Inc. tax res.	744,495	713,854
Net profit	657,858	611,875
Less: Divds.	479,355	479,355
Surplus for year	178,503	132,520
Earnings per Share and Dividend Record:		
Common	$2.06	$1.91
Paid	1.50	1.50

CONDENSED BALANCE SHEET

As at Aug. 31:	1953	1952
Cash	$716,394	$636,040
Accts., etc., rec.	1,059,638	953,540
Market invest.†	251,500	251,500
Inventories	1,282,738	1,385,750
Total curr. assets	3,310,270	3,226,830
Misc. assets	55,366	53,221
Fixed assets	4,315,611	4,029,201
Total assets	7,681,247	7,309,252
Total curr. liab.	746,609	739,167
Cont. res.	85,000	.....
Deprec. reserve	2,952,460	2,843,727
Furnace res.	130,000	117,000
Capital stock	1,044,326	1,044,326
Capital surplus	45,250	43,933
Earned surplus	2,677,602	2,499,099
†Mkt. value	234,000	231,000
Working capital	2,563,661	2,467,663

(One of a series of advertisements explaining the Natural Gas Situation)

About Gas

AND UNNAMED CRITICS

The Consumers' Gas plan to bring natural gas to the Toronto area, by way of Niagara has been criticized fast and furiously from "unofficial" sources, from unnamed persons, and from the Labor-Progressive (Communist) party and its organ the "Canadian Tribune."

Policies of the Canadian Communist party are dictated from Moscow. The objective is to injure the Canadian economy and to create or aggravate irritation of Canadians toward the United States. At least this part of the Communist effort will not be effective.

In contrast to the "unofficial" and anonymous (and often inaccurate) criticism of its plan, Consumers' Gas has been stating its case openly, calmly and as clearly as it knows how. Those who advocate another plan, would do their cause no harm if they came into the open—if theirs is a good cause.

THE CONSUMERS' GAS COMPANY OF TORONTO

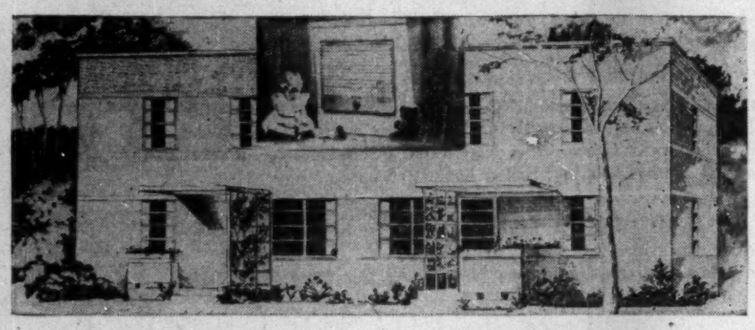
PAYING ALL TAXES FOR 105 YEARS

ELECTRIGLAS...

LEADS AGAIN!

152 Homes EQUIPPED WITH

"ELECTRIGLAS" RADIANT HEATING



THE GREATEST STEP FORWARD IN ELECTRIC HEATING IN CANADA

152 apartments equipped with "ELECTRIGLAS" RADIANT HEATING in a section of the Trois Rivieres Firing Range—This project, the only one of its kind in Canada, was made possible through the cooperation of the Central Mortgage & Housing Corporation, the Provincial Department of Municipal Affairs and of the City Council of Three Rivers. These flats will house workmen. Shown above is a double duplex—each having 5 rooms.

Already 250,000 satisfied clients.

Ceiling Panel — Placed over large windows wards off illness

Thermolyte — Light and heat combined for bathrooms

I am interested is this system of heating and would like to instal Electriglas in my home.

Please indicate room in question

☐ Flat. ☐ Bathroom ☐ Playroom
☐ Porch ☐ Attic ☐ Spare Room

Fill in and Mail

Baseboard Panels — Smart, compact, throws even heat.

Portable "Economatic" — Plugs in. Thermostat controlled.

The best heating principle and most hygenic. Radiates like the sun, abundant infra-red heat which gives warmth to furniture, walls and floors without absorbing moisture. Easy to install, economical to operate. Complete safety—no flame, no smoke.

Each Electriglas panel has built-in thermostat which quickly regulates heat in any room—built to last a lifetime—twin 5-year guarantee. Also for use in offices, stores and plants.

ELECTRIGLAS CANADA DISTRIBUTORS LIMITED

2456 Des Carriers—Montreal — VI. 7043 —

For highly accurate timing

A PRECISION STOP-WATCH ON YOUR WRIST

For technical and professional men for whom accurate timing is important. Largest suppliers to the three British armed services.

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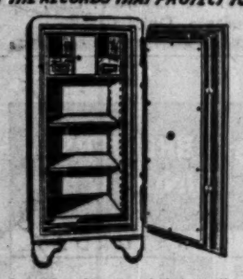
Protect
THE RECORDS THAT PROTECT YOU

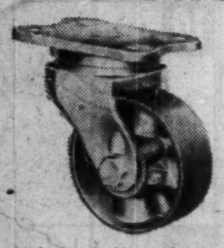


Dominion Fire Proof Safes offer you a form of protection, as essential as your other fire insurance. Write today for complete information on many models available.

DOMINION
SAFE AND VAULT COMPANY LIMITED
NIAGARA FALLS, CANADA

THE LARGEST MANUFACTURER OF CASTERS AND WHEELS IN THE BRITISH EMPIRE

Bassick



Combining maximum safety, economy, long life and easy action, Bassick's heavy duty swivel caster is the nearest thing to indestructibility ever built into a 6" caster. Enquire about Bassick's complete line to suit every industrial purpose.

RUBBER CUSHION GLIDES

Assure quiet, easy gliding floor protection. Live rubber cushion, nickel plated steel base.

Bassick SW
STEWART-WARNER CORPORATION

What's New

New Products, Applications and Ideas Gathered from World-Wide Sources or Made in Canada for the First Time

Safer Brakes

Safer braking performance on passenger autos is offered by two devices just marketed in U. S. One is a brake drum gauge which tells instantly whether brake drum has sufficient thickness to allow further machining for relining. The other, known as Lifeguard, is an electronic float assembly which gives off an audible alarm if brake fluid falls below the safe level; also provides a safety reservoir in case of rupture in the brake fluid system.

* * *

Air Cleaner

Electrostatic air cleaner is self-charging, washable. Said four times as effective as ordinary filters in catching fine dust, will appeal to home-owners, restaurateurs and industrialists as a saver on cleaning and redecorating costs.

* * *

Paper Cup Cover

New coverall lid for one maker's paper cups covers and seals the drinking lip, giving snug fit to prevent leakage. Allow stacking of full cups without forcing the lid into the drink. Improves sanitary qualities and handling of take-out service.

* * *

Pipe Threader

Portable pipe threader, weighing only 26 lb., takes the machine shop to the job. Sturdy, it has universally powered motor which permits the handling of quarter inch to four-inch pipe.

* * *

Sight Savers

New-type fluorescent light tube is said to deliver 10% more light at the same time minimizing reflection and glare factors. Same company also has a new-type incandescent bulb said to improve perception and visibility through screening out of considerable portions of infrared and ultraviolet rays.

* * *

Steno Lunch Kit

Vinyl plastic bag with drawstring is practical lunch kit for the office girl. Comes in red, yellow, green or beige. Pint-size vacuum bottle, covered in matching plastic, fits neatly and snugly in bag, yet leaves plenty of room for sandwiches.

* * *

Screen Printing

Screen printing process production is speeded up, costs are reduced and quality improved by new industrial photographic film. Main advantage is that it may be exposed directly in copy camera, printed by projection with regular darkroom enlarger or used as a contact printer.

* * *

No More Key Fumbling

Automatic key case pops required key into position at the touch of a button. Slim, attractive case holds four keys; tiny Braille-type raised dots identify them on key releasing tabs thus enabling use in complete darkness.

* * *

Blasting Agent

Blasting agent, powerful yet not subject to accidental detonation by blasting caps, flame, friction or impact including that of a rifle bullet, now being produced in Canada for use in mine and open-quarry blasting.

* * *

Tiering Rack

"Pyramid" all-steel tiering rack is of particular value for all types of goods which cannot be otherwise tiered one on another. Heavy-duty square-steel tube construction with pyramid cones makes it possible for fork truck operator to tier racks without assistance. Self-aligning.

* * *

Portable Shaver

Battery kit makes electric shavers portable. Designed to power all types of a-c/d-c shavers, kit is ideal for travelers, campers. Batteries and a standard-type receptacle into which any shaver may be plugged come in styled traveling case of simulated leather.

* * *

Gives Future Dates

Desk calendar with unique future-date feature gives 26,280 answers to future dates from a copyrighted table of dates for a full year in advance. Each page also contains 72 future dates most commonly used in business, professional and production scheduling.

ATTENTION:
Canadian Manufacturers and Distributors

Publicize your new products. Send The Post news for mention in this column.

RCN Buying U. S. Aircraft

Chances of the Canadian Navy having a small twin-engine sub hunter, the Grumman F2S1, built in Canada are understood to be still firm. The Navy sees the plane as ideal for the job of sub spotting, either from the new Bonaventure carrier under construction or from shore-based stations.

RCN requirements have been stated as for 250, some of which would be turned over to other NATO countries under Mutual Aid.

The contract for $100 millions would be split between de Havilland Aircraft Ltd. and Canadian Car & Foundry Ltd.

The RCN is also arranging to purchase about 30 McDonnell F2H3 Banshee jet fighters and parts from the United States Navy for $10 millions. (The Financial Post, Oct. 17.)

The twin-engine all-weather jet fighters will replace the RCN's carrier-borne prop-driven Hawker Sea Furies. There are now two squadrons of about 12 planes each.

The Banshees will not fly from the RCN's carrier Magnificent but from the Bonaventure, which is scheduled for delivery in 1956.

It's understood the now almost outdated Banshees were chosen rather than the Grumman Cougar, Douglas Skyray or Hawker Sea Hawk, because they were readily available and are light in weight —more suitable for the Bonaventure's deck. It was decided to purchase U. S. rather than British aircraft because of the need for standardization of parts and equipment wherever possible between the defence forces of the two countries — now standard policy with the RCAF and RCN.

U. K. Fertilizer Firm's Canadian Sales Higher

Canadian business done by Fisons Ltd., large U. K. fertilizer and chemical firm, was slightly ahead of the previous year, according to the company's annual report for the year ended June 30, 1953.

"Our associated companies in Canada, South Africa and Rhodesia have again had successful years," the report stated.

"In Canada, conditions were particularly difficult owing to the collapse of the potato market, but our sales were slightly in excess of those of the previous year, though our profits were a little down."

Total sales of the parent concern were £26.4 millions, up from £22 millions the year before.

Staff Changes

Chartered banks announce the following staff changes.

Nova Scotia:

A. K. GRAY, an assistant inspector to be inspector.

J. C. BRIMBLE, to be assistant inspector.

H. R. MACKEAN, to be assistant inspector.

J. H. MACLEOD, to be assistant inspector.

D. M. MOFFATT, to be assistant inspector.

R. C. CALPIN, manager, Dartmouth, N.S., to be manager, New Glasgow, N.S.

J. C. INGLIS, to be manager, Santurce, Puerto Rico.

D. B. RATHBONE, accountant, Moose Jaw, Sask., to be manager, 33rd Ave. South-West, Calgary.

E. A. HOUSE, assistant manager, Charlottetown, to be assistant manager, St. Catherine and Peel, Montreal.

D. G. SEDGEWICK, accountant, Truro, N.S., to be assistant manager, Charlottetown.

J. G. BEDARD, to be accountant, Grenville, Que.

J. G. R. BOULAIS, accountant, Grenville, to be accountant, Longueuil, Que.

P. D. BLUETHNER, to be assistant accountant, Hamilton, Ont.

C. V. HUTCHINSON, an assistant manager, Montreal, to be an assistant supervisor, general office, Toronto.

W. B. ANDERSON, assistant manager, St. Catherine and Peel, Montreal, to be manager, St. Lawrence (Crown Industrial), Montreal.

C. I. ARCHIBALD, an assistant supervisor, general office, Toronto, to be manager, Peterborough, Ont.

R. H. A. COPPIN, manager, Twillingate, Nfld., to be manager, Lewisporte, Nfld.

W. E. STARRAK, manager, New Glasgow, N.S., to be manager, Bank & Gloucester, Ottawa.

G. W. ROBINSON, to be accountant, Antigonish, N.S.

* * *

Commerce:

K. H. COPLAND, an assistant manager, Montreal, to be manager, Crescent & St. Catherine, Montreal.

H. B. CURRIE, an assistant accountant, St. Catherine & Metcalfe, Montreal, to be audit officer, in dept. of superintendent of Quebec branches, Montreal.

R. S. JACKSON, formerly accountant, Yonge & Brookdale, Toronto, to be manager, branch, Yonge & Eglinton, Toronto.

D. G. MacMILLAN, assistant accountant, Victory Sq., Vancouver, to be accountant, at Hastings & Richards, Vancouver.

J. McINTOSH, an assistant inspector in dept. of the superintendent of Quebec branches, Montreal, to be manager, St. Laurent, Que.

J. W. S. MARTIN, audit officer in dept. of the superintendent of Quebec branches, Montreal, to be an assistant inspector in dept. of the supt. of Quebec branches, Montreal.

H. D. NELMES, to be assistant accountant, Victory Sq., Vancouver.

R. C. PERKINS, manager, St. Laurent, Que., to be an assistant manager, Mont-

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The Mercantile Agency
ESTABLISHED 1841
20 Offices in the Dominion

Ask about All-Expense AIR-CRUISES to Europe

NOW!
fly TCA
DIRECT FROM
TORONTO
to
LONDON, Eng.

With this convenient, new TCA service, you board your *trans-Atlantic* Skyliner at Malton Airport, Toronto — and fly right through to London, England, without changing planes at Montreal!

At the same time, you *pay lowest air fares!* They're in effect on all TCA flights to Europe during uncrowded off-season months.

Weekly flights from Toronto, daily flights from Montreal, to London. Regular service to Glasgow, Shannon, Paris, Dusseldorf — with connections to all Europe. SEE YOUR TRAVEL AGENT or TCA Office for complete information.
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Bay & Temperance Sts.,
& Arcade, Royal York Hotel
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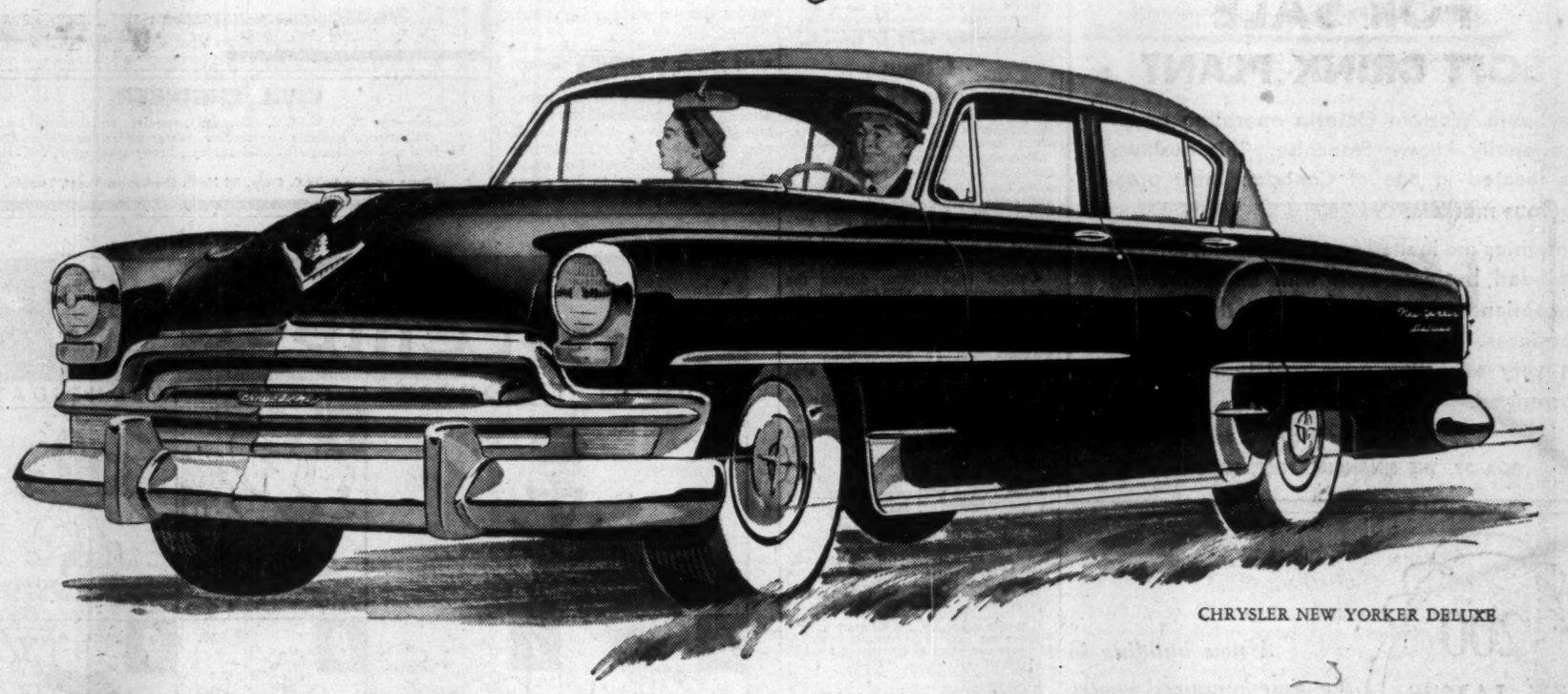
You'll enjoy new worlds of

beauty, power and driving ease in Chrysler for 1954



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with brilliant *FirePower 235 h.p. performance*
...effortless *PowerFlite no-shift, no-clutch driving*

Proudly you'll drive—and well you may! For here is beauty . . . magnificent performance . . . and the world's most advanced power features—perfected by the car that pioneered them!

Only Chrysler brings you this great new combination, today: *The FirePower V-8 hemispherical combustion chamber engine—delivering 235 horsepower* with ease on standard gasoline . . . *New PowerFlite, Chrysler Engineering's newest and finest no-shift, no-clutch driving . . . Full-Time Power Steering,** which does four-fifths of the steering work all the time—with greater control and safety, effortless parking and steering . . . *Power Brakes,* that give quicker, smoother, safer stops with less than half the usual pedal pressure . . . and an improved suspension, engineered for the softest and most luxurious of rides.

In 1954, more than ever before, you'll have cause for pride when your friends pause to remark . . .
"I SEE YOU DRIVE A CHRYSLER!"

*Power Steering is optional at extra cost on all models. FirePower and Power Brakes are standard on all V-8 models. PowerFlite is standard on all models.

SEE THEM AT YOUR CHRYSLER-PLYMOUTH-FARGO DEALER'S
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A Dominion-wide market place for buyers and sellers of land, residences and commercial buildings

ESTATE AUCTION OF TWO VALUABLE PROPERTIES, LONDON, ONTARIO

ARTHUR KNOWLES MACHINE SHOP AND ATTENDANT PROPERTIES HIGH & FRONT STREETS — JUST SOUTH OF WELLINGTON ROAD BRIDGE

SOLID WHITE BRICK FIVE-APARTMENT BUILDING
117 WORTLEY ROAD — JUST SOUTH OF BYRON AVENUE

SATURDAY, DECEMBER 12 — 2:30 P.M. & 4:00 P.M.

The first property to be offered comprises one of the largest centrally-located industrial sites ever offered in the City of London. The second property is an investment building worthy of your interest. Both offered subject to conditions of sales and reserve bids.

BOTH PROPERTIES ON VIEW MORNING OF SALE FROM TEN OR PREVIOUSLY BY APPOINTMENT WITH:

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MARKET COMMENT

The informed opinion of men experienced in market analysis is given regularly in this investment feature. For profit add their viewpoint to yours. You get them in

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FOR SALE

1,000,000 sq. feet industrial land for sale, 2,000 feet St. Lawrence River frontage; for heavy industry; railway siding; near Quebec City. Future winter navigation possible. For price and conditions, write to:

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Real Estate Broker
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QUEBEC
Tel. 4-5251

INVESTMENT IN TIMBER

400 Acres with about 800,000 boardfoot of quality timber surrounding a unique House (all latest modern conveniences) for sale at sacrifice $25,900. Write

J. M. MILLER, Danbury, New Hampshire, U.S.A.

6 acres
INDUSTRIAL LAND IN SCARBOROUGH FOR SALE

in the heart of the "Golden Mile", 1 block North of Eglinton, along the C P R Railway tracks.

BOX 20, THE FINANCIAL POST, TORONTO

INDUSTRIAL BUILDINGS

Specialists in Design, Engineering and Construction of Complete Industrial Plants

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FOR SALE
SOFT DRINK PLANT

In South Western Ontario operating under nationally known Franchise. This business is located in one of Canada's most prosperous markets.

Inquiries are invited from prominent, serious-minded business men with merchandising experience, not necessarily in the bottling business. This business is being offered at a very attractive price and terms can be arranged.

Please address inquiries to:
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ST. JAMES STREET
MONTREAL

A new building in the time-honoured centre of Canada's commerce

NOW, as when Canada was very young, historic St. James Street is the pre-eminent centre of finance, law, insurance and shipping. 200 St. James Street, with eleven floors of highly efficient office-space of advanced design, makes a proud addition to the limited office facilities available in this district.

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B. Kaplan Construction Co., Ltd.

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Up to 4000 Sq. Ft. per floor, designed for maximum flexibility for large or smaller firms.

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160,000 Immigrants In '53 Expect Like Number In '54

OTTAWA (Staff)—Canada will again take in nearly as many new immigrants this year as in 1952—about 160,000. Preliminary indications for 1954 are that the country will again be able to absorb about the same number next year.

The rise in unemployment in early fall is not expected to affect the rate of immigration. Canadian overseas offices are not accepting immigrants in categories where unemployment is feared. Moreover almost half the newcomers to Canada are dependents. They do not take jobs, but they do help to provide employment by expanding the domestic market.

Intake for 1953 up to the end of October totaled 143,700. This is only 2,500 less than the first 10 months of 1952. This result was achieved in spite of the winter cut-off, which applied last winter for the first time. It kept immigration very low in January and February, but the boost in the summer and fall was almost enough to offset this.

The biggest increase over last year was in October. This year's October arrivals numbered 18,600, compared with 10,900 a year ago.

In the last two months of the year the small gap between this year's and last year's total figures may be narrowed even further. The winter cutoff applies from the beginning of November. It can be enforced on immigrants from Europe (except France), and would-be emigrants from Britain and France can be quite effectively discouraged.

More "White-Collars"

But this year's immigration has included a higher proportion of white-collar workers than formerly. There is not the same reason for keeping them out in the winter as there is for laborers and other classes affected by the seasonal decline in employment.

The seasonal increase in unemployment started earlier this year than last. Last year it was delayed till the end of November and then rose sharply. This year there was a marked rise between September and October. According to preliminary indications, the November figure will again be higher. But it doesn't necessarily follow that December will show the same sharp rise as last year. It may be that this year's rise in unemployment has come earlier and will level off.

The two softest spots currently are textiles and farm implements. The October figures reflect this. They also show layoffs in the automobile industry due to model changes, which have been more protracted than last year. Logging requirements in British Columbia were off from last year, though there was a firmer tone in Ontario and Quebec. Less people were employed on defense construction than in October of last year.

The DBS labor force survey for Oct. 24 showed 111,000 people without jobs and looking for work. This is out of a total labor force of 5,351,000; so the percentage of unemployment was still at the remarkably low level of 2%. A month earlier (Sept. 19), those looking for work had been estimated at only 84,000 out of a slightly larger labor force.

Figures from the National Employment Service showed 192,000 unfilled applications for employment at Oct. 24. This was 30,000 higher than in Sept. and 44,000 higher than a year ago.

Nevertheless a preliminary look at 1954 suggests that Canada will be able to take almost as many new immigrants as this year, carefully screened so as to fit into occupations where we are short of labor without affecting the classes where we may have a surplus.

The Government has not yet reached its decision about next year's target. But according to present assessments of the outlook, the country will still be able to absorb about as many new workers as this year.

More from U. K.

Two trends which have been established this year are expected to continue. One is the higher proportion of immigrants who are being attracted from the British Isles. Promotional activities in the U. K. are being fostered at a higher rate than last year, in the form of advertising, lectures and films. In most European countries, however, Canadian policy is to hold out little general inducement, but to pick individuals for particular openings.

In general it is said that this year's new arrivals are of better financial standing than formerly. More white-collar workers are included. This trend is also expected to continue, and it should be reinforced by the freer flow of British capital to Canada. The establishment of British plants is expected to mean the transfer of more British staff, particularly in skilled trades and in management.

Immigration has always been regarded here as a very touchy political question. The level of intake can be affected by public clamor just as much as by economic judgments. But since the early winter of 1952 the Government has not had a backlog of unplaced immigrants on its hands. The present policy of trying to match the rate of intake to the expected job-openings has worked well this year, and no major change seems now to be necessary for next year.

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

Glass

DOMINION GLASS CO. net profit of $1,743,270 for year ended Sept. 30, 1953, was 20.7% higher than previous fiscal year's net of $1,444,597.

Demand continued at a high level throughout the year, reports President L. J. Belnap, and production and sales were greatest in company history. Trend of wages and material costs continued upward, and threat of competition from foreign goods became more apparent.

Capital expenditures during the year amounted to $769,622, and unexpended balance on approved works at year-end totaled $850,145. "It is anticipated expenditures on capital account will be substantially increased in the coming year," says Mr. Belnap.

Extension of storage capacity at the Montreal factory has been undertaken to provide for increased output. Construction of a warehouse and office building is to be launched on an industrial site acquired in the past year at Burnaby in the Vancouver, B.C., area.

Annual meeting is Dec. 17.

CONS. INCOME ACCOUNT

Years Ended Sept. 30:	1953	1952
Total net income	$4,886,589	$4,009,755
Less: Deprec.	718,319	737,869
Amort. pat. rts.	100,000	3,500
Taxes	2,325,000	1,823,789
Net profit	1,743,270	1,444,597
Less: Pref. divds.	182,000	182,000
Common divds.	605,625	605,625
Surplus for year	955,645	656,972
Earnings per Share and Dividend Record:		
Preferred	$13.41	$11.11
Paid	1.40	1.40
Common	7.35	5.94
Paid	1.60+1.25	1.60+1.25

CONDENSED CONS. BALANCE SHEET

As at Sept. 30:	1953	1952
Cash	$307,566	$681,639
Govt. bonds*	5,420,187	3,667,982
Accts. rec.	2,760,885	3,642,134
Inventories	4,692,481	4,143,281
Total curr. assets	14,181,119	12,335,016
Misc. assets	260,878	266,436
Fixed assets	13,257,670	12,491,570
Patents, etc.	2,240,921	2,300,920
Total assets	29,900,588	27,393,942
Accts. & tax pay.	2,522,526	2,122,794
Other curr. liab.	2,092,185	1,657,502
Total curr. liab.	4,614,711	3,780,296
Deprec. reserve	8,142,350	7,425,764
Other reserves	850,000	850,000
Capital stock	6,850,000	6,850,000
Surplus	9,443,526	8,487,882
*Market value	5,140,410	3,627,640
Working capital	9,566,408	8,554,720

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Midwestern Gets Major Gas Strike

Midwestern Industrial Gas Ltd., Edmonton, has just brought in what's described as Canada's biggest natural gas well to date. The well in the Fort Saskatchewan field has been tested at 1.2 million cu. ft. of gas per day.

The successful hole becomes the fourth consecutive success on the same license area, crown gas license No. 1, purchased from the Alberta Government at the first sale. It's located one mile south of Midwestern's pipeline gathering system for delivery of gas to Sherritt-Gordon's new nickel refinery at Fort Saskatchewan, for which Midwestern has a 20-year contract.

Midwestern has also spudded a further test hole just north of the river in the Fort Saskatchewan field. Company officials say Midwestern is now assured of "unlimited deliverability" on its Sherritt-Gordon contract and in a position to share in the gas export market or in an expanded local industrial market.

Mt. Everest, Rolex In Dual Promotion

When do film makers, mountain climbers and watch manufacturers all put their heads together in a promotion scheme? When a British expedition climbs Everest wearing Rolex watches and J. Arthur Rank decides to produce a movie about the whole thing.

Under the international auspices of J. Walter Thompson (Advertising) Co., Canadians will soon be greeted by:

—A Rolex-sponsored film ("The Story of Time") running in double bill with Rank's "The Conquest of Everest" in Odeon theatres here.

—Tied-in Rolex-Rank advertising.

—A chance for theatregoers to win Rolex watches.

—A Rolex dealers' window display illustrating the job the watches did on Everest, samples of the expedition's equipment and a model of Everest itself.

"It's like mixing apples, oranges and pears in one crate," one adman commented. "But it's one of a shrewdest tie-ins ever."

INVESTMENT

Executive with wide experience would consider investment of up to $100,000 for all or part interest in well-established business, preferably in Toronto or Windsor territory. In reply give principal details which will be considered confidential, or submission may be made through agent.

Box 34, The Financial Post, Toronto.

CIVIL ENGINEER

Scottish—age 27, A.M.I.C.E. (England), requires employment January 1st. Experience harbour engineering, water and drainage works in England and overseas, also road surveys, heavy excavation, etc. Starting salary $4,500.

Please reply to Colin C. Craig, 38 North Sherbourne Street, Toronto.

Careers

This is Canada's national meeting place for executives who have positions to offer, and for those who have ability to offer

ASSISTANT TO INDUSTRIAL EDITOR

Good opportunity for capable young man, matriculation standing and experience in newspaper reporting required. Age 20 to 25. Apply Personnel Dept., The Steel Co. of Canada Ltd., Wilcox St., Hamilton, Ont.

TOOL ENGINEER AVAILABLE

18 years experience, broad knowledge of industrial problems modern methods, engineered control, labour relations. Experience gained in production of elevators, military vehicles, small tools and assembly tools for aircraft. Desires position in Toronto vicinity.

BOX 39, THE FINANCIAL POST, TORONTO

Chartered Accountant Available

Chartered Accountant, five years public accounting experience, desires position as Accountant or Comptroller with Industrial concern.

BOX 36, THE FINANCIAL POST, TORONTO.

WANTED GENERAL MANAGER

American manufacturer of aviation parts requires General Manager for Canadian plant operation. Applicant should have experience in engineering, sales and manufacturing. Responsibility will cover sales contact at government level and assistance in factory operation. Salary consistent with qualifications. In replying please outline qualifications and complete experience in detail. All replies treated in strict confidence.

BOX 25, THE FINANCIAL POST, TORONTO.

Creative Advertising Man Seeks Challenging Position

Six years' experience in advertising field — with publisher — as advertising manager — account executive. Solid background of account supervision and promotion planning for consumer, industrial and financial accounts. Good staff and client relations — not afraid of hard work. Reply in confidence to

BOX 37, THE FINANCIAL POST, TORONTO.

COMPTROLLER

Subsidiary of U. S. manufacturer engaged in diversified metal parts fabrication in London, Ontario area has opening for well qualified comptroller. Age 30-45. Must have strong background in costs, including standards. Replies held in strict confidence.

BOX 38, THE FINANCIAL POST, TORONTO

OPPORTUNITY FOR YOUNG ADVERTISING MAN

We need a young man with sound agency or advertising department experience. Must know mechanical production thoroughly. If he has ability to revise and adapt layouts so much the better. Must have ability to work with suppliers, staff and clients. Complete employee benefits — top competitive salary.

Apply by letter only to
NEEDHAM, LOUIS and BRORBY OF CANADA LTD.,
880 Bay Street, Toronto, Ont.

CLASSIFIED ADVERTISEMENTS

POSITIONS WANTED

ADVERTISING MAN IN 30's SEEKS PROGRESSIVE, creative opportunities. Presently employed as copy-contact in national agency in western city, handling diversified accounts. Four years with electric utility in publicity and advertising. Ex-reporter for western daily. In sixth year of evening art classes. Good working knowledge of layout. Friendly, easy to get along with. Will move east or west. Box 22, The Financial Post, Toronto.

POSITIONS AVAILABLE

GENERAL MANAGER with experience required for a medium sized company carrying on an active Fire, Automobile and Casualty Insurance business. Our staff knows of this advertisement. State age and experience. Replies confidential. Box 9, The Financial Post, Toronto.

FOR RENT

OFFICES FOR RENT. Floor space 3,500 and 1,330 square feet. Finest location. Greater Corner Brook Area-Broadway Modern building. Concrete and steel, two storeys Being built by Newfoundland Engineering & Construction Co. Limited Suitable for Doctors, Lawyers, Dentists, Corporations, etc. Parties interested in securing leases apply in writing or on construction to Owner—E. (Ali Kawaja, P.O. Box 257, or Phone 6683, Corner Brook West, Newfoundland.

AGENTS WANTED

LEADING BRITISH MANUFACTURERS of Automatic Packaging Machinery for the Food, Canning and Allied Trades and the Brewery and Mineral Water Industries, require established and active Agent for the sale of their plant in Canada, having existing connections with the above trades and technical ability available. Box 15, The Financial Post, Toronto.

IT HAPPENED IN DECEMBER

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BRASS COPPER

A.C. LESLIE & CO. LIMITED

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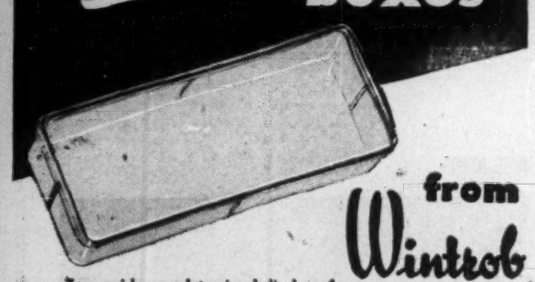

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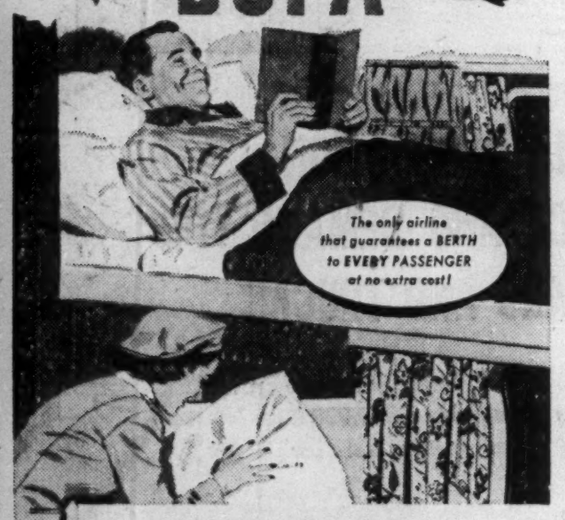

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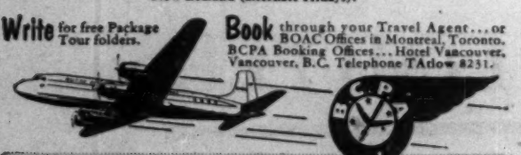

British Commonwealth Pacific Airlines
"THE SOUTHERN CROSS ROUTE"

Trend of Busines

Permits for industrial buildings first nine months this year up 87% in value over same period last year in 815 municipalities.
Labor income running 8% above last year, total of $993 millions latest month.
Steel ingot output in October averaged 19% above same month last year, per production day.
Tourist autos entering Canada in October 21% above same month last year. Entries this year to Nov. 1 9.5% above same period last year. Gains in all parts of the country.
Dividend payments, calculated as an annual rate, dipped a little in November from previous two months. But still 0.5% above year ago, and 0.1% above beginning of year. (Nesbitt, Thomson index).
Sawn lumber production this year to Oct. 1 8% above same period last year, though down in recent figures.
Quebec showed nominal decrease of 1% in power production in September, compared same month last year. Other provinces all showed increases. National gain was 2%.
Honey crop this year smallest since 1946. Drop in colony numbers and in yield per colony. Total production 363 million lb. or 6% less than last year.
Building boom is lifting hardboard sales: domestic shipments this year to Nov. 1 are 19% above same period last year.
Wheat flour exports down 12% in value this year to Nov. 1 from same period last year. Caused by fall in quantities, as average export price up somewhat. October exports down 35% in value.
Leather footwear production so far this year up 13%, still rising at latest.
Wood pulp exports this year to Nov. 1 up 2% from last year, in tonnage. October is up 17%.
Inspected slaughter of cattle this year to Nov. 21 is 18% over same period last year. Latest week still shows strong increase.
Cumulative budgetary surplus to Oct. 31 this fiscal year $266 millions, compared with $288 millions a year earlier.
Nation's cleaning and dyeing bill passed $100 millions for first time in 1952. About $60 millions for dry cleaning, $35 millions for laundry, $10 millions for other services.
TV sets sold this year to Nov. 1 number 258,445 units. Compares with 146,373 units all of last year. (Radio & Television Manufacturers' Association.)

Major Weekly Indicators

	Latest Week	Week Ago	Month Ago	Year Ago
Department store sales (% ch. from year earlier)	....	+3%	—9%	+12%
Carloadings, total	78,234	79,485	74,745	85,005
Eastern Canada (cars)	48,772	49,252	46,947	52,568
Western Canada (cars)	29,462	30,233	27,798	32,437
Iron & steel products (cars)	1,397	1,424	1,370	1,622
Ores, concentrates (cars)	4,192	3,464	3,968	3,902
Base metals (cars)	561	538	474	625
Lumber, timber, plywood (cars)	3,380	3,727	3,311	3,894
Cement (cars)	829	925	738	759
Motor vehicle prod. units)	4,550	3,920	7,243	7,122
Bus. failures 4-wk. moving av. (No.)	28.3	26.8	19.3	10.3
Bank of Canada holdings of securities ($ millions)	2,289	2,276	2,249	2,152
Short term governments ($ millions)	1,377	1,367	1,398	1,185
Long term governments ($ millions)	895	892	815	955
Other securities ($ millions)	17	17	36	12
Canadian dollar (U.S. cents average)	102.420	102.367	102.002	102.439
T.S.E. industrials index	309.69	306.55	311.06	320.17
Montreal ($ millions)	449	482	441	403
Toronto ($ millions)	501	543	490	457

Facts by the Month

	Latest Month	Month Ago	Two Mos. Ago	Year Ago
WHAT WE PRODUCE—				
In all industries (Index)	247.5	246.9	257.5	234.2
In factories (Index)	260.4	258.3	273.3	247.6
Total nondurable goods (index)	229 4	219.4	231.9	221.8
Food & bev. (Index)	257.1	249.2	243.5	256.0
Textiles (Index)	165.4	146.1	162.2	162.9
Clothing (Index)	155.8	152.0	163.8	151.2
Chemical products (Index)	288.1	282.1	292.2	273.8
Total durable goods (Index)	306.9	319.1	338.1	287.9
Iron & steel products (Index)	271.8	271.4	299.4	272.0
Primary iron & steel (Index)	294.9	287.3	332.1	272.6
From mines (Index)	200.1	206.3	196.3	183.0
Metals (Index)	110.9	118.2	120.6	117.1
Nonferrous smelting, refining (Index)	226.6	227.6	230.3	199.7
Gold (Index)	91.8	102.9	104.6	104.3
—From farms				
Hogs graded (000)	395	385	272	516
Cattle delivered (000)	80	195	149	55
Flour (Index)	116.5	148.4	162.8	159 5
—From sea				
E. Coast catch ($000)	2,571	3,466	3,302	3,116
W. Coast catch ($000)	4,069	6,725	6,743	1,272
—From forests				
Newsprint (000 tons)	512	467	485	503
Pulp (000 tons)	799	726	740	768
—In powerhouses				
Electricity (Index) (seasonally adjusted)	241.8	243.0	254.7	237.3
WHAT WE SELL—				
Retail sales ($ millions)	997	1,014	1,045	968
Dept. store sales ($ millions)	84	87	70	86
Country store ($ millions)	46	49	50	47
Wholesale sales (value) (Index)	408.8	370.0	379.5	404.1
Pass. car sales (units)	22,016	34,590	37,013	18,275
WHAT'S ON HAND—				
Mfrs inventories (value) (Index)	185.7	184.3	183.0	182.1
Dept. store stock/sales ratio	3.2	3.4	3.0	2.7
SPENDING, SAVING POWER—				
Labor income ($ millions)	993	986	979	919
Dividend payments (Index) (annual rate)	243.0	246.7	246.6	243.2
JOBS—				
Employment (Index)	192.1	192.3	191.2	190.6
Mfg. employment (Index)	204.4	202.9	203.5	198 5
BUILDING—				
Contract awards ($ millions)	244	209	147	191
FOREIGN TRADE—				
Exports ($ millions)	373	347	398	349
Imports ($ millions)	344	347	408	343
MONEY—				
Money supply ($ millions)	5,236	5,157	5,155	5,015
Cheques cashed ($ millions)	10 448	10,057	12,251	10,065
Savings deposits ($ millions)	5,226	5,206	5,132	4,901
Current public loans ($ millions)	3,648	3,621	3,543	2,979
Life insurance sales ($ millions)	225	188	209	172
PRICES—				
Consumer price (Index)	116.7	116.3	115.7	116.0

Index bases: production, wholesale sales, 1935-39=100; employment, payrolls, 1939=100; manufacturers inventories, 1947 average=100; consumer price index, 1949=100.

STRATEGIC MATERIALS—Production and Supply—

	Latest Month	Month yr. ago	Yr. to date	% chge. yr. to date
Steel ingots and castings (000 tons)	329	285	3,114	+13
Primary copper (000 tons)	21.4	21.0	180	+5
Nickel (000 tons)	11.9	12.0	94	—1
Cement (000 bbl.)	1,991	1,562	14,719	+23
Lumber (million fbm)	603	674	5,790	—8
Exports (million fbm)	316	236	2,249	+4

Date for your file: The Financial Post, December 5, 1953.

Municipalities Take A Look At N.B. Debenture, Tax Laws

From Our Own Correspondent

FREDERICTON — A move to bring issuing and marketing of N.B. municipal debentures under provincial control was endorsed at a meeting of the union of New Brunswick Municipalities Executives here.

Sent to the parent body for consideration was a recommendation that no issue of debentures by local authorities be permitted until a certificate allowing such issue is obtained from the Municipal Affairs Commissioner.

Another recommended that where a local authority wishes it, the Municipal Affairs Department print and market debentures.

A third resolution endorsed a 1951 royal commission recommendation that the province enact a completely new province-wide Rates and Taxes Act.

Also approved was a request for the establishment of a provincial equalization and appeal Board to hear unsuccessful appeals to local municipal assessors.

Other resolutions recommended that senior assessors pass qualifying examinations, hold office for life or until removed for cause by a two-thirds vote of the municipal council and the duties and authority of assessors be defined in a special section of the new act;

That the tax liability of railways be fixed in the new act and that assessors review exemptions now given the railways with the aim of assessing all taxable property owned by them.

That motor vehicles, self-propelled farm machinery, and fishing boats of over 50 hp, milk pasteurization equipment, where the owner is not paying a business tax, be subject to a property tax to be uniform in assessment throughout the province.

That provision be made in the act requiring vehicle owners to present proof that their local taxes are paid for the previous year before car registrations are issued.

That equipment of contracting firms be taxable in the area in which it is stored or used regardless of the location of the head office provided its owners are unable to produce a receipt showing that local taxes on it have been paid for the year in question.

RIMOUSKI, QUE. School Commission has sold $101,500 3% bonds due Nov. 1, 1954-68, and $33,500 4% due 1969-73, to A. E. Ames & Co. and Dube Legare & Co. at 90.65. Net cost 4.78%. Proceeds for construction of school. Provincial grant of $46,000 payable in five annual installments. Net funded debt at June 30, 1953, $252,832; population 15,500.

Shawinigan W & P Has $60 Million Expansion Plans

MONTREAL (Staff)—Shawinigan Water & Power Co. expects to spend about $60 millions on capital account in the five years 1953-57, the company reports. Much of this will go toward enlarging capacity by a total of 150,000 hp. at three St. Maurice River plants and building a transmission line to Trois Rivieres.

The company expects it will need to raise only about $10-15 millions by public financing. Balance will be financed by funds already on hand and by retained earnings and provision for depreciation over the next few years.

Capital outlays would have been much greater had not the company completed a deal for purchase of 400,000 hp. from Quebec Hydro-Electric Commission's new Bersimis project.

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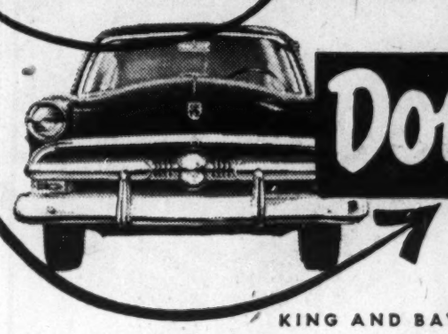

Dominion-U-Drive

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5% CUMULATIVE REDEEMABLE PREFERRED SHARES
(Par Value $50 per Share)

Preferred as to capital and dividends. Cumulative preferential dividends at the rate of 5% per annum, and no more, and as and when declared by the Board of Directors, will be payable quarterly in Canadian currency on the first days of January, April, July and October, at par at any branch in Canada of the Company's bankers. Dividends will accrue from 15 December 1953. Redeemable at the option of the Company at any time in whole or from time to time in part, on not less than 30 days' notice, at par plus a premium of 4% thereon, plus an amount equal to all unpaid preferential dividends to and including the date fixed for redemption. These Preferred Shares when issued will be fully paid and non-assessable, and the rights, preferences, priorities, restrictions and conditions attaching thereto are more fully set out in the Additional Information forming part of the Prospectus. The authorized Preferred Shares of the Company may be issued from time to time in one or more series and the shares of each series rank equally with and in all respects possess the same rights, preferences and priorities and are subject to the same restrictions and conditions as the shares of every other series except that one series may differ from another or others in respect of one or more of the following matters, namely, (i) the rate or amount of the preferential dividend, (ii) the rate or amount of premium payable on redemption and (iii) the par value.

Registered share certificates will be exchangeable for bearer share warrants (or vice versa) at the option of the holders.

Transfer Agent: Montreal Trust Company—Victoria, Vancouver, Winnipeg, Toronto, Montreal and Halifax.
Registrar: The Royal Trust Company—Victoria, Vancouver, Winnipeg, Toronto, Montreal and Halifax.

In the opinion of Counsel, these shares will be investments in which companies registered under the Canadian and British Insurance Companies Act may, without availing themselves for that purpose of the provisions of sub-section 4 of Section 63 of said Act, invest their funds or any portion thereof.

Applications have been made for the listing of these Preferred Shares of British Columbia Electric Company Limited on the Vancouver, Toronto and Montreal Stock Exchanges.

We offer, as principals, the Preferred Shares, if, as and when issued and accepted by us and subject to prior sale and allotment and subject to the approval of Messrs. Douglas, Symes & Brissenden, Vancouver, B.C., on behalf of the Company, and of Messrs. McMichael, Common, Howard, Ker & Cate, Montreal, Que., on our behalf, who will rely upon the opinion of the Company's Counsel in respect of all matters of local law in British Columbia.

PRICE: $48 PER SHARE TO YIELD 5.20%

It is expected that registered certificates and bearer share warrants, both in interim form, will be available for delivery on or about 15 December 1953.

Nesbitt, Thomson and Company, Limited	Wood, Gundy & Company Limited	Société de Placements Inc.
A. E. Ames & Co. Limited	Dominion Securities Corpn. Limited	Royal Securities Corporation Limited
W. C. Pitfield & Company Limited	Pemberton Securities Limited	McLeod, Young, Weir & Company Limited
Greenshields & Co Inc	James Richardson & Sons	Cochran, Murray & Co. Limited
Midland Securities Corpn. Limited	Collier, Norris & Quinlan Limited	Mills, Spence & Co. Limited
René-T. Leclerc, Incorporée	The Western City Company Limited	Yorkshire Securities Limited
A. E. Jukes & Co., Limited	Okanagan Investments Limited	Harris & Partners Limited
Burns Bros. & Denton Limited	Equitable Securities of Canada Limited	R. A. Daly Co. Limited
Eastern Securities Company Limited	Odlum Brown Investments Ltd.	McMahon and Burns Limited
Hagar Investments Ltd.	Thomas B. Read Company Ltd.	A. D. Lauder & Company Ltd.
Tanner & Co. Limited	Carlile & McCarthy Ltd.	Anderson & Company Limited
F. J. Brennan & Company Limited	McDermid, Miller & McDermid Ltd.	J. C. Mackintosh & Co., Limited

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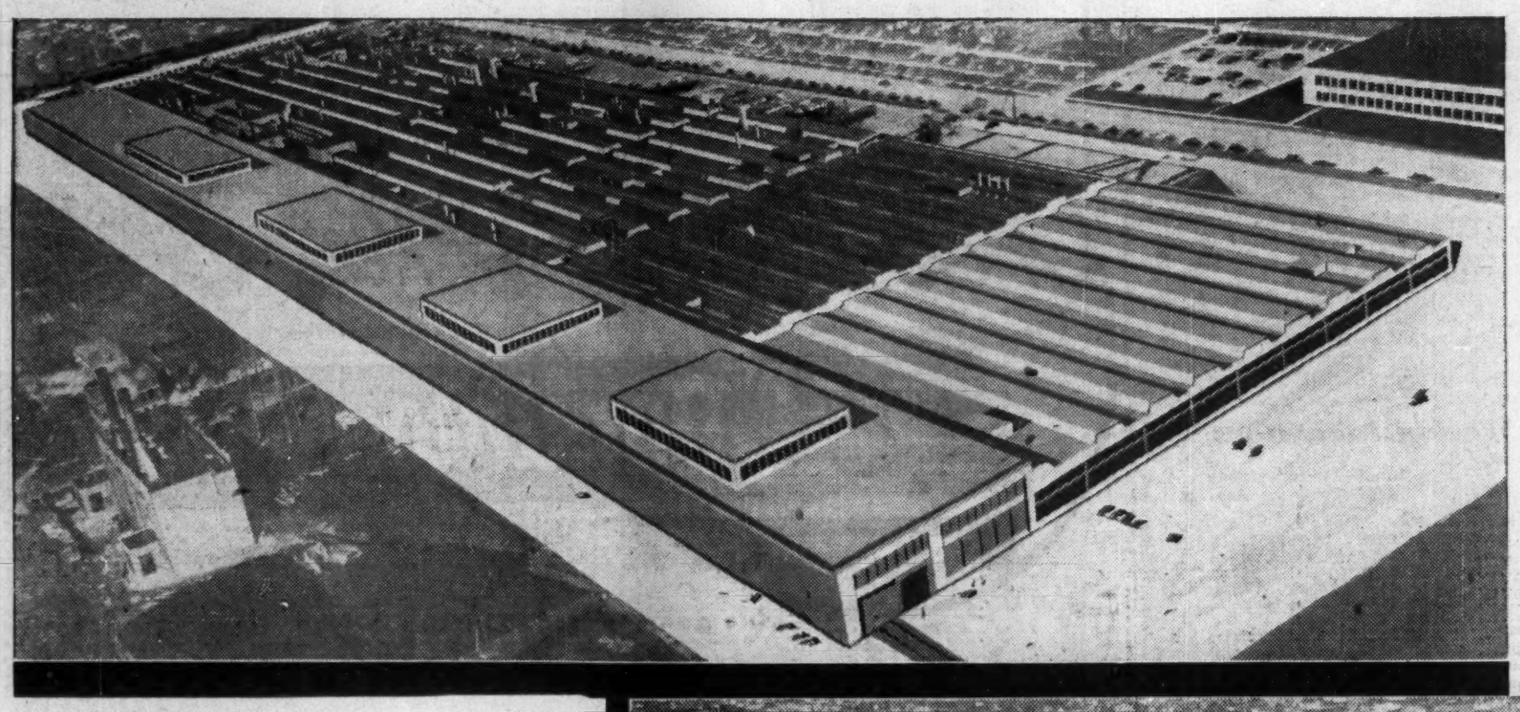
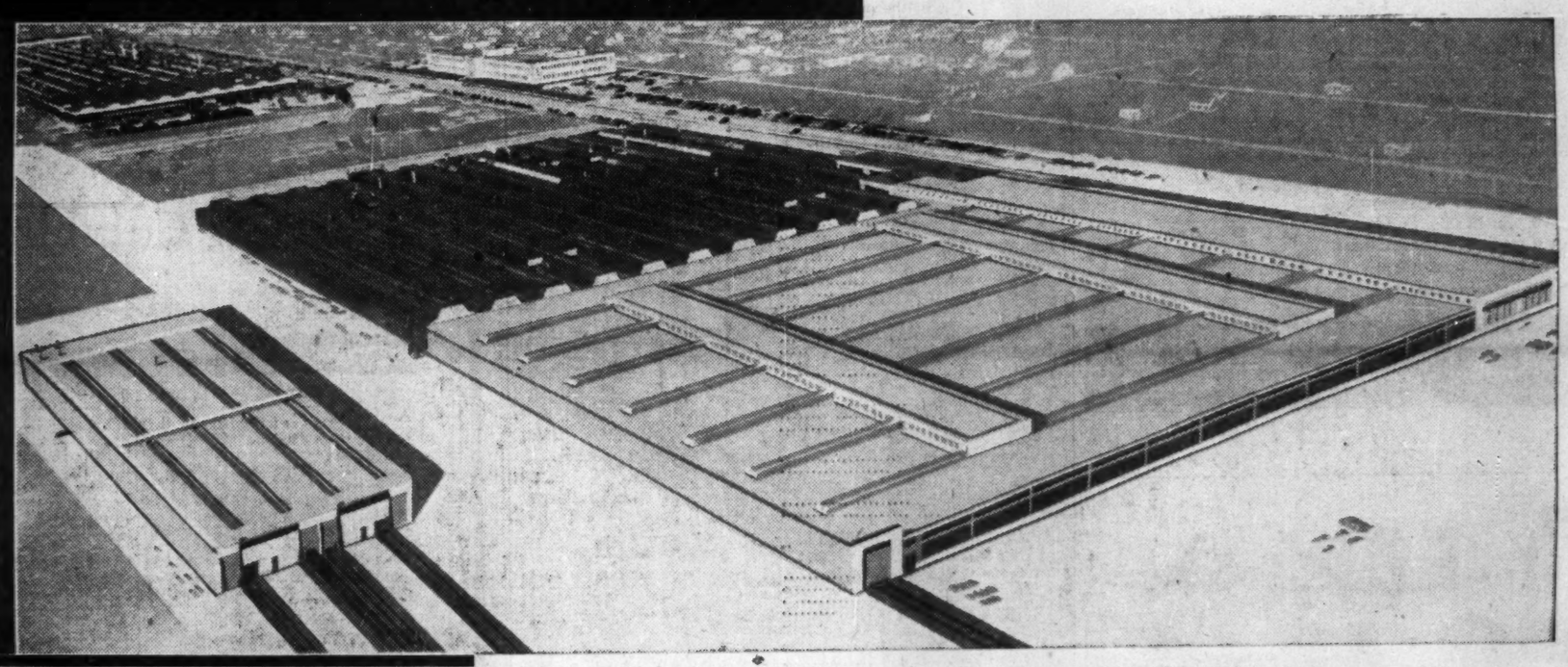
$50-MILLION CHRYSLER EXPANSION REFLECTS CONFIDENCE IN CANADA'S FUTURE

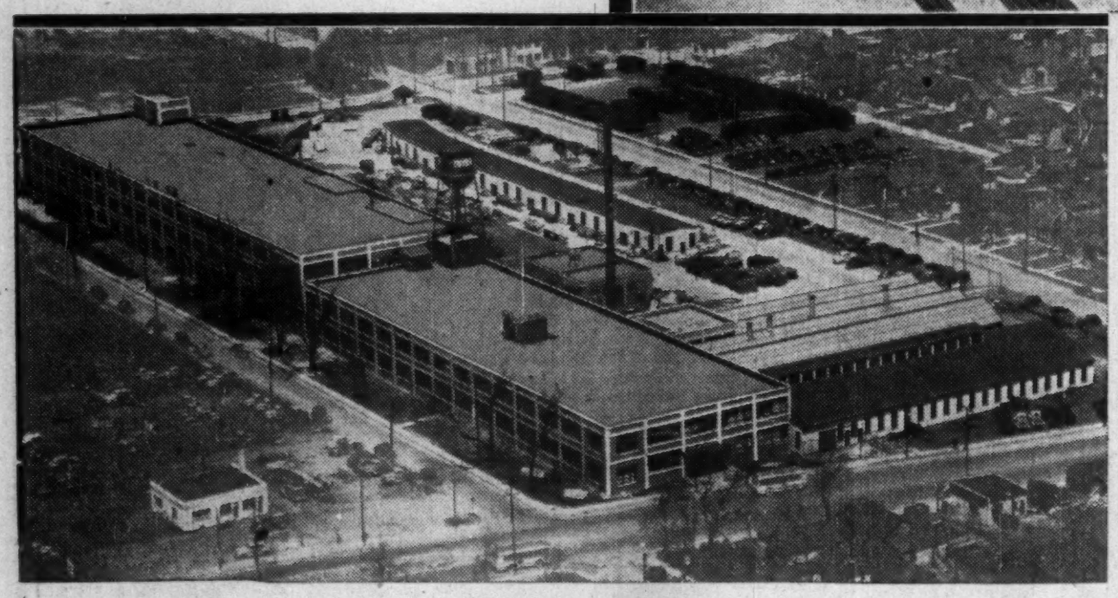


$20 MILLION is being spent on additions to the Chrysler Corporation passenger car plant in Windsor, which will enable production to be doubled. To give some idea of the size of the project, one plant addition alone is two-fifths of a mile long. A new car-loading building handles 20 freight cars indoors on a four-track system. 5,800 tons of steel will be used in the construction of these new buildings.

Additions in light grey.

$21 MILLION is being spent on a new engine plant in Windsor by the Chrysler Corporation of Canada, Limited. It will permit greatly increased production of the world's most modern V-8 engine, with the years-ahead dome-shaped combustion chamber design. This design was first adapted to a production car engine by Chrysler engineers. It has proved its fine performance and smooth, economical operation to owners of Chrysler-built products.





Chrysler Corporation has already completed extensive alterations and additions to its Windsor truck plant. This will greatly increase the production of Dodge and Fargo Trucks. A notable feature is the advanced body painting process, which gives gleaming, bright new colours to the trucks now rolling off the line.

CHRYSLER PREPARES TO DOUBLE PRODUCTION TO MEET GROWING ACCEPTANCE AND DEMAND FOR CHRYSLER-BUILT PASSENGER CARS AND TRUCKS

Expressing complete confidence in Canada, and in Canada's future economic growth, Chrysler Corporation of Canada, Limited is currently engaged in a $50,000,000 expansion program. This will enable the Corporation to *double* its present car production to meet the growing demand.

This expansion includes a huge addition to the Windsor passenger car plant which will permit multiple-shift operation. "With the latest in machinery, tools and equipment, it will be the most advanced plant of its kind on the North American continent," states Mr. E. C. Row, president of the Corporation.

Production plans are also under way to make another major addition to the Chrysler Corporation's modern engine plant in Windsor. This giant new plant will double production of Chrysler Engineering's famous engines.

Chrysler Corporation has already completed extensive alterations and additions to its Windsor truck plant which permit increased production of Dodge and Fargo trucks.

Across Canada, the Corporation's 1,300 dealers are also planning expansion to handle this increased volume of vehicles, showing their confidence in the Chrysler Corporation's future.

CHRYSLER CORPORATION OF CANADA, LIMITED

WINDSOR • ONTARIO

The Financial Post

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Will Bank Mortgages Mean More Homes Built?

Here's a Close Look at Possible Effect On Volume, Price and Rate of Interest

John A. Rhind, 33, treasurer of the National Life Assurance Co., has made a study of the financing of housing construction and of the housing "shortage" in Canada. In this article he discusses the possible impact of the Government's decision to allow banks to handle real estate mortgages.

Mr. Rhind was educated at University of Toronto (Masters Degree, Commerce & Finance), served in the Royal Canadian Artillery from 1942 to 1945. He then joined National Life as investment statistician; spent 18 months with Mills Spence & Co. as statistician, and returned to National Life in 1948 as treasurer and head of the investment department.

By J. A. RHIND

The problem of providing houses for Canada's fast growing population is one which has been kicked back and forth by politicians, press and public. It is a Grade A example of the proverbial political football. With the recent announcement of the proposed changes in the National Housing Act, it looks as though the Ottawa team is planning to throw a long forward pass. Will this pass be completed, and if so, how much will it affect the outcome of the game?

During the post-war years the construction of new homes has been at a level exceeding all previous records. Yet the term "housing shortage" remains. The explanation lies in the high levels of post-war marriages and immigration, or, to be more technical, the high rate of "net family formation." Academic studies and surveys made at the end of the war indicated a housing shortage in Canada of about 500,000 dwellings. Since that time, new construction has only just been able to match the high rate of new family formation. Thus, to the statistically minded social worker, we are suffering from a drastic housing shortage.

From a practical point of view, the distinction between housing need and effective housing demand must be kept in mind.

The important thing is: how do you define a housing shortage? When does it exist?

There are two points of view in answering these questions. One is that of the social worker; the other is the point of view of the practical economist or business man.

To the social worker a housing shortage exists until every Canadian family lives in a modern home. This is the basis used when the post-war backlog of 500,000 houses was calculated.

A more practical definition would be to say that a housing shortage exists when the supply of houses is inadequate to meet the demands of those with the ability and the desire to purchase a home at current prices. On the basis of this definition, the demand for houses is related to levels of prosperity and is closely tied to dynamic and fluctuating factors within our economy. If employment and income prospects should decline, there would be a decided drop in the housing shortage regardless of family formation and construction rates.

Nevertheless, nearly all agree that the current high level of economic activity should be matched by a higher rate of residential construction. The problems of the supply of materials and labor are now greatly alleviated and the main obstacle to an expanded housing construction program appears to be the limited supply of mortgage funds to finance such a program.

The Sources of Funds

Where has the money been coming from to finance housing construction? The chief sources of funds have been:

(1) The individual home owners' personal money;

(2) The mortgage funds from the lending institutions, of which 84% came from life insurance companies and the remaining 16% from loan, trust and fire companies and fraternal organizations;

(3) The government, through its 25% contribution to National Housing Act loans as well as its direct loans.

Statistics showing the percentage contribution of each of these sources are to some extent misleading, since the individuals' and government money have in most cases been dependent on the willingness of the lending institution to approve the loans. Thus the availability of institutional mortgage money is by far the most important factor in determining today's rate of housing starts.

Since the mortgage lending institutions play such an important role in the scene, we should investigate just what they have been doing and compare it with what they could do, especially since they are charged with failing to pull their weight in the battle against the housing shortage.

For the year 1952 the lending institutions had $334 millions of new money to invest. During this time they made mortgage loans of $363 millions. After subtracting from this gross mortgage investment the $197 millions of mortgage principal repayments they received, they had a net increase in mortgage investments of $166 millions. This means that during 1952, after reinvesting back into mortgages all the principal payments received, the lending institutions invested 50% of their new money income in mortgages. In view of the many alternative outlets for investing funds during a time when the demand for capital funds is high, this appears to be a substantial percentage figure.

The size of the capital pie which the life companies and the other lending institutions have to serve out, is fixed. If a larger piece is cut off for mortgages, then the contribution to other essential forms of economic development would have to be curtailed. It would seem to be just as vital that funds continue to be made available to meet municipal projects such as schools, roads, sewers, water systems and other services essential to the progress of a modern community.

Also, it would be undesirable to restrict the flow of capital to industry and commerce by reducing the institutional purchases of corporate securities. This might tend to curtail business expansion and opportunities for employment on which the current prosperity depends. Without this prosperity the ability of Canadians to purchase homes would be greatly retarded.

The Federal Government feels that existing sources of mortgage funds are insufficient "to finance a satisfactory volume of new housing building in the future." Already the Government, through Central Mortgage and Housing Corporation, finds itself in the position of providing $50 millions a year in direct mortgage loans. This is in addition to the $50 millions a year currently provided by the Government in its 25% participation in N.H.A. loans.

Ottawa's Proposal

Ottawa finds this trend most distasteful — it does not wish to play the role of creditor to so many individual citizens. Finding itself faced on one hand with this undesirable trend and on the other with mounting pressure of public opinion and a limitation in the supply of life insurance and loan company mortgage money, the Government has produced a plan to bring new sources of funds into the housing field. The basis of the proposal is that the National Housing Act will be amended so that the present definition of lending institutions will be broadened to include the chartered banks. At the same time, the Government's 25% contribution and "pool guarantee" plan will be replaced by a form of residential mortgage insurance.

Ottawa will be delighted to have the banks step into the mortgage picture. The Government can now shift much of the burden of public responsibility from its own shoulders into the lap of the banks. Not only can a vast new source of capital be put to use for housing construction, but a nation-wide chain of branch lending offices will suddenly become available and the problem of providing mortgage funds for the small communities may be solved.

Ottawa feels there is ample precedent for the savings deposits of the banks being utilized as a source of mortgage funds. In the United States the mutual savings banks, savings and loan institutions and commercial banks provide about 60% of the new money in mortgage financing. In addition they originate many mortgages which, after processing, are transferred to the life companies. In Australia, banks are the principal source of non-government mortgage funds and have a greater investment in residential mortgages than have the insurance companies.

The banks themselves have not shown the same delight with the new proposal. To begin with, the whole plan caught them by surprise. It is reported that the very week that Ottawa announced its scheme, senior bank officials were returning from a meeting called to discuss the idea of bank mortgages. They were returning with the comfortable reassurance that the meeting had decided against bank participation in mortgages. It must have been a shock to find Ottawa's memo outlining the new plan on their desks when they returned. It was strangely undiplomatic of the Government not to have consulted the actors whom they were planning to have assume lead roles in their new play.

Canadians are proud of the long record of strength and security of their banking system. There has been a long standing prohibition in The Bank Act forbidding mortgage lending and there is some apprehension that if restrictions are eased to permit mortgage lending one of the chief bases of the bank's strength will be undermined. The failures which occurred among the United States banks may be cited as reasons why we should maintain the stringency of our Canadian banking laws.

However, there are several practical aspects which tend to offset any arguments that mortgage lending would weaken the security of the Canadian banks. The difficulties of the United States banks were largely the result of commercial and industrial mortgages, rather than residential loans. Furthermore, the techniques of mortgage loans such as monthly principal repayment plans on a regular amortized basis, combined payment of taxes and a system of federal mortgage insurance, tend to eliminate the dangers inherent in mortgages made during the 'twenties and 'thirties.

The banks may not be enthusiastic about the new liberties proposed for them in the mortgage field. However, it will be difficult for them to buck Ottawa's desire to have them step into this picture. The weight of public opinion will be strongly against them if they now refuse to contribute to the need for mortgage funds. Also, competition is such between the chartered banks that if one bank begins to make mortgages, all will quickly be forced into the game. It has already been rumored that more than one of the large banks have indicated they intend to participate in the new scheme.

The Mortgage Insurance Plan

How does Ottawa propose to operate a mortgage insurance scheme? The basic principles of the plan are as follows:

—The lending institutions will pay an insurance premium to Central Mortgage and Housing Corporation, the cost of which will be borne by the borrower. In the event of default on a mortgage, title to the property is transferred to Central Mortgage and the lending institution receives a credit for the unpaid principal plus certain allowances. The plan is not altogether a new one for this continent. A scheme quite similar has been functioning for several years in the U. S. under their Federal Housing Act.

—The maximum amount of the loan will be 90% of the first $7,000 of lending value and 70% of the balance. This will mean bigger loans than under the present flat 80% maximum. However, in the case of large loans the difference will be slight. Perhaps more significant is the proposal that the maximum size of the loan be increased from the present figure of $10,000 to $12,500.

In addition to this broad outline of the plan, Ottawa has proposed some specific details of operation and in this connection has invited the views and advice of the present lending institutions and the banks. It will certainly not be disappointed on this score. There is already ample evidence that much discussion will be required to smooth out the details. Among the more contentious aspects of Ottawa's proposals are the following:

1. Who will establish lending values? Ottawa has not only suggested that these be set by Central Mortgage, but that Central Mortgage should conduct all the appraising. Taken at its face value, if this were put into effect the lending institutions would lose not only their independence of judgment, but also their trained appraisal staffs.

2. What will be the rate of interest? The Government must be in a difficult spot in answering this question. It has suggested a rate of 5½%. This will seem high to borrowers since the rate paid by mortgagors under current N.H.A. loans is 5¼%. On the other hand it will look low to the lending companies because they are currently getting 5¾% under N.H.A. loans. (The difference in the rate to the borrower on the overall amount of the loan is because he pays only 3¾% on the Government's 25% portion.) And in today's market even the 5¾% rate is not particularly attractive to the lender when he can get 6½% on conventional loans.

3. How will insurance claims be paid? Ottawa had proposed that settlement be made in the form of 10 year Government of Canada bonds bearing interest at the then current rate. These bonds were to be non-transferable and redeemable by the holder on a graduated scale of redemption values from 95 at the time of issue to a 100 at maturity. The non-liquid feature of this form of settlement proved to be too bitter a pill for the lending companies to swallow and the idea has been scrapped. The latest plan is that Central Mortgage will pay claims in cash — but they will pay only 98% of the claim. In answer to the lending companies' protests, Ottawa says that this 2% difference is to ensure that the lending institutions continue to follow sound mortgage practice. The mortgage people, however, feel that such an incentive to sound lending policy is entirely unnecessary, especially as they will already be penalized by the low allowances the scheme permits to be included as charges and costs in their claims.

Despite these and other problems there can be little doubt that Ottawa is determined to give birth to the plan it has conceived. There will be objections raised, suggestions made and some compromise, but Canadians can expect that the present embryonic scheme will be very much a live plan before another year has passed.

If the mortgage insurance plan succeeds and if the banks decide to enter the mortgage market, will it make any difference to builders and home-buyers? Will it mean more houses for Canadians? What will be the effects on the mortgage market, on interest rates and on the price of houses?

Does It Mean More Money?

The insurance plan by itself will not greatly affect the supply of mortgage money. Whatever the final details of the plan, it is unlikely to prove much more attractive to the lending institutions than the present guarantees on N.H.A. loans. It would be difficult to produce any practical plan which would bring forth more mortgage funds from existing sources. The true significance of the insurance plan is that it will facilitate the entry of banking funds and trust company agency funds into the mortgage market.

Despite the current peak level of lending activity by the life insurance and other lending companies, builders are finding their activities restricted by the limitation on the supply of new mortgage money.

This situation was emphasized in a recent speech by Gordon S. Shipp, President of the National House Builders Association, when he said: "Take a look at what is happening now. Generally speaking, builders have never felt more insecure in making plans especially where such plans involve the development of land as well as the construction of houses. It is obvious that a builder who plans on building 25 or more units in a season must have all uncertainties as to financing allayed before he can undertake the obligations to suppliers and sub-contractors that are necessary to carry out his plans. This becomes more acute as the number of units involved increases.

"Again, generally speaking, lending institutions have been loath to make forward commitments on any large scale. In fact, in a great number of cases, they have limited their commitments to possible 10 units, with no promise for further commitments when these have been built and sold."

Should the banks enter whole-heartedly into mortgage lending a tremendous new source of capital would be made available to the builders. A feature of special interest is the difference in the nature of bank funds as compared to the mortgage money from the existing lending institutions. The more a life insurance company invests in mortgages the less it has for other capital requirements within the economy. This is not entirely so with the banks. Within the limitations of their statutory restrictions and to the extent that Ottawa will permit them to do so, the banks are able to create new money.

The builders indicate that all that is holding them back is the availability of mortgage funds. To the extent that bank mortgage lending removes this restriction builders will be able to produce up to the limits of the supply of labor and materials. No one can predict just how many housing units they could produce, but some feel that a rate of 125,000 new units a year could be attained. This compares with the current peak production rate of approximately 100,000.

Effect on Interest Rates

What will be the effect on interest rates? The going rate of interest on conventional mortgage loans is determined by two basic factors — the level of interest rates on alternative forms of investment and the supply and demand of mortgage funds.

On the basis of the first factor, the general level of interest rates, it is conceivable that if additional capital funds are created through the banks' mortgage activity to the extent that insurance companies find themselves looking for alternative investments, there may be an easing of the current tightness in the money market.

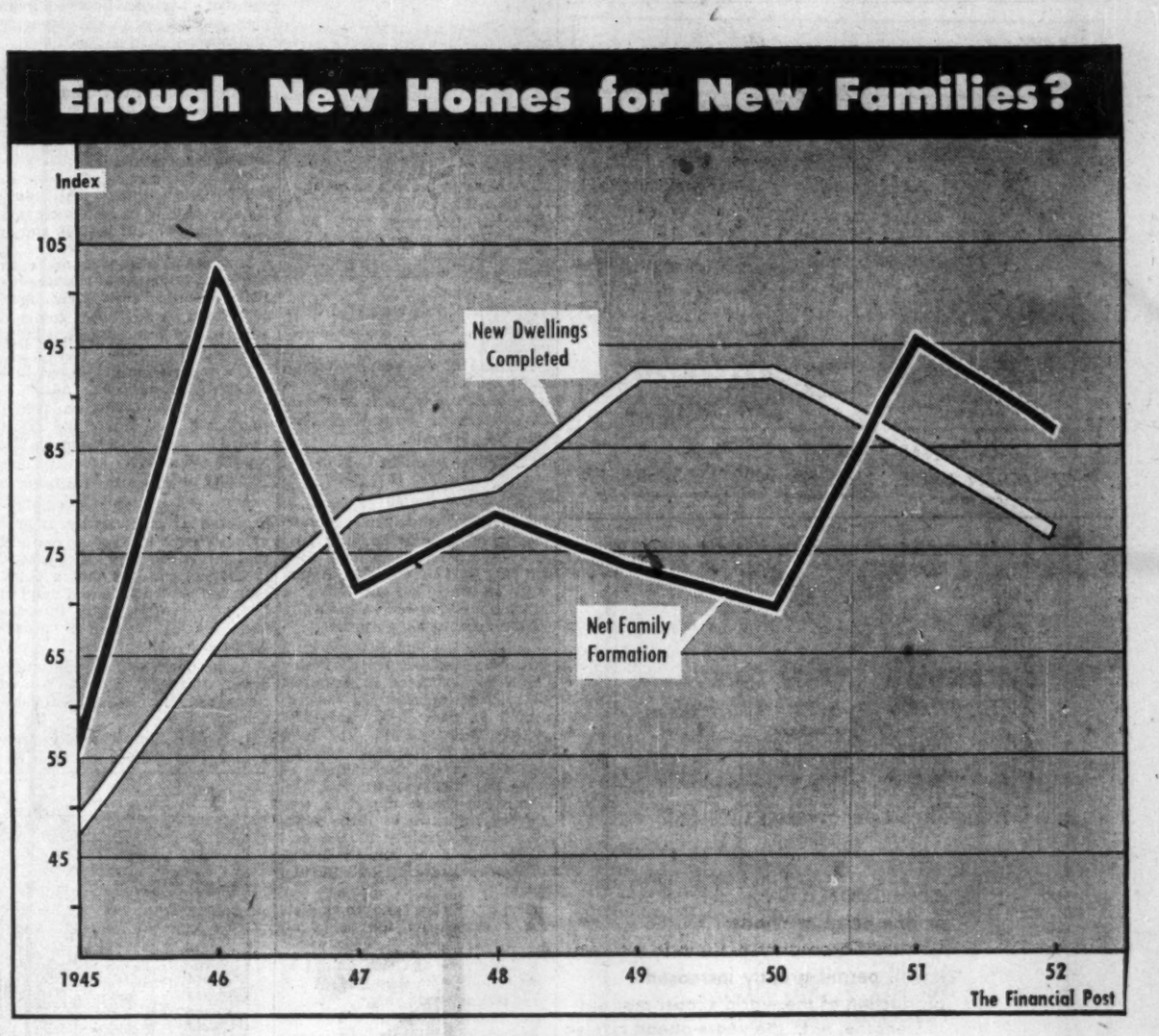
On the basis of the second factor, the supply and demand of mortgage funds, it is obvious that if the banks make a substantial contribution to the supply of mortgage funds the current upward pressure on mortgage rates would be eased. It must be realized, of course, that in the case of N.H.A. mortgages, either under the existing or proposed scheme, there is a degree of inflexibility since interest rates are fixed by Central Mortgage. However, no matter which scheme, these rates cannot be completely arbitrary or independent of the general level of interest rates.

The question which concerns builders, homebuyers, lending institutions and homeowners is: — if a large addition is made to the pool of available mortgage funds, what influence will this have on the price of houses?

There are two ways of looking at this question — and each gives a different answer. To the extent that the size of individual mortgages will be increased there may be a rise in the price of houses. Larger loans mean smaller down payments and therefore, an increase in the number of families able to purchase a house. With more buyers in the market prices may move up. Also, if the loans are larger the builders can increase their selling prices by a like amount, since the larger loan will enable the same buyers to pay higher prices.

Although the possibility of the above trend cannot be ignored, it is probably sounder economics to reason that more mortgage money will result in an increase in housing starts. The participation of banking funds should give a substantial impetus to housing construction. The resulting increase in the supply of houses should mean lower prices.

It is too soon to know whether Ottawa has at last solved the housing riddle. Even if the new plan meets with full acceptance there will be a time lag before the necessary machinery can be set up and adjusted to smooth running order. Sufficient to say, at this stage, that Ottawa has taken a bold step to meet a nation-wide problem and that with a reasonable degree of co-operation from the lenders we shall soon see major changes in the field of home financing and construction activity.



Industrial Design: It's Losing Out in Import Race

Canadian Industrial Designers Can't Get Enough Work in Field

By VICTOR KOBY

Industrial designers — the artist-engineers of industry who dream up the better mouse traps —are sharpening wits and pencils for the growing competition in a buyers' market.

They are in the driver's seat as companies beat a well-worn path to their offices for new, better, more streamlined and more useful products. But with a few notable exceptions most of this competition in product ideas is going on in the U.S. with Canada on the receiving end.

There's competition here too but, say industry leaders, it is in most cases with proven "successful" product ideas imported from the U.S. and elsewhere.

The trend in Canada (again with a few exceptions): to import the new product ideas, designs and engineering. Then when necessary, because of different materials and Canadian tastes, make minor style modifications.

Larger markets and greater competition south of the border often necessitate annual style changes over a wide range of models of any one product. Here, with a smaller market and the resultant uneconomic high cost of frequent style changes, changes range over five-year intervals over a smaller range of models of any one product.

Only greater attention to export markets for manufactured products can bring about a demand for more truly original Canadian designs, says one leading appliance manufacturer.

For industrial designers here this means: while the need for more Canadian industrial designs may be great, the demand dictated by economics is small and usually limited to style changes.

Proof of this, is that despite five years of intensive effort by the National Industrial Design Committee to make Canadian manufacturers, retailers and consumers Canadian design conscious, nine out of 10 NIDC industrial design scholarship winners are not doing industrial design work.

All 10 scholarship winners were university graduates. Some had held positions in industry. All submitted at least one practical project in product design as part of the scholarship requirements. Yet today only one of the scholarship winners is fully established in industrial design work.

One has accepted employment in the U.S. Another, John C. Holme intends to go to the U.S. A joint NIDC—Canadian Manufacturers Association campaign is proposed to find work for Mr. Holme.

NIDC reports: "If, after such a campaign, no employment can be found for Holme, then it is obvious our scholarships must be reconsidered in the light of absence of employment in Canada, except for such persons who have enough capital to build up a consultant design practice slowly over the years."

Market Too Small

What's wrong with Canadian industry? The manufacturers say there's nothing wrong. One told The Post, "We don't need to do any soul-searching about using Canadian designs or hiring Canadian designers. We'd like to do nothing better. But with most of us the size of the market doesn't warrant the high cost of experimenting with our own designs."

The high cost means the cost of designs, models, dies and tooling. For one Canadian TV manufacturer this involved $90,000 just for a metal cabinet and only 5,000 to 10,000 will be produced. If the cabinet had been a dud, $90,000 would have been lost. As it is, only the hopes of increasing demand for TV sets in Canada will justify the heavy development cost.

As for the insides of the TV set—the electronic guts—no Canadian manufacturer could afford to experiment with new designs and risk losing his shirt.

"If it were possible," said one manufacturer, "we would do more basic industrial design on many of the larger consumer items such as automobiles, and refrigerators. Why should we risk our bankrolls when for royalty fees or even free copying we can get the successfully proven product? What's more, we stand to gain by the enormous U.S. advertising campaigns which Canadians see and hear via magazines, television and radio."

Far from a growing trend toward Canadian industrial design, Canadian subsidiaries of U.S. firms talked of a growing tendency to be tied even closer and tighter design-wise to their U.S. parents as a cost-cutting move.

Some Original Design

But all is not black. Many independent Canadian industries as well as U.S. subsidiaries here have produced original designs, as the NIDC Design Merit Awards to Industry have shown.

Also when a U.S. design is copied, much original work often appears in the Canadian product which, although like the original U.S. piece, is not exactly the same. Canadian talent is used as a percentage of the final product.

Few Canadian firms questioned thought they could find steady employment for the engineer-industrial designer heading up an industrial design department within a company. Most Canadian firms who use industrial designers prefer to bring them in from outside on a commission or retainer basis.

"It's cheaper that way," said a product development head of one firm. "Also, by asking for a variety of idea submissions from a variety of industrial designers we get more fresh ideas."

He went on to explain the following step by step method of building up a new product:

(1) A free offering of rough sketches by a free-lance designer;

(2) If the firm likes the sketches, it pays the designer $100 to $300 to take the sketches one stage further to a detailed colored portrait of the product seen from all sides;

(3) If the firm's engineering

(Continued on page 32)

The Hat that Tops them All

The One You Will Be Proud To Own
Hand Made by Skilled Craftsmen
Sold at All Leading Hat Shops Coast to Coast

Borsalino

THE EXECUTIVE MODEL

That Guaranteed Annual Wage Plan

Management Considerations As Union Demands Grow

Whether they like it or not, many Canadian employers are going to be faced with demands for a guaranteed annual wage in future talks across bargaining tables.

No Canadian union has yet come forward to say exactly when it will make this demand, although the United Steelworkers in U. S. has set GAW as one of its major demands when the current contract expires June 30, 1954.

The UAW, the other union spearheading the drive in the U. S., has said there is no question but that GAW will come and all Canadian members have been asked to support the demand. The TLC decided at its Ottawa convention last summer to press for GAW.

In view of this concerted drive by unions, what is management's position?

A study of the whole question and some advice for management is contained in a report by Industrial Relations Counselors Service, Inc., Toronto.

Some Plans In U. S.

Some forms of GAW plans have been instituted in the U. S. but in many cases these guarantees have been given only part of the work force and then often for only part of the year. Again, most of the plans are found in small companies with a naturally stable employment record.

What do the unions mean by a guaranteed annual wage? Policy of the Steelworkers, as set out in 1952, is that unemployed workers should be paid 75-80% of their weekly base rate out of a fund established by the employer setting aside a specified number of cents per manhour worked. The guarantee would apply to employees with two or three years of service. Liability of the employer would be limited to the amount he had contributed to the fund.

The UAW plan is not so explicit but is based on the following principles:

1. Purpose of GAW should be to stimulate management to regularize employment.

2. GAW payments should be enough to maintain a worker's living standard.

3. Eligibility should be based on seniority; employees with seniority should qualify fully; those without should get lesser amounts.

4. GAW plans should be integrated with government unemployment assistance to encourage employers to improve government regulations and so reduce their own liabilities.

5. Plans should be administered by a joint union-management committee.

6. Financing should be a combined pay-as-you-go plan on the part of employers to encourage stabilization of employment and a reserve fund built up to meet abnormal costs.

The UAW plan, then, is also based on supplementing unemployment insurance benefits but is a more expensive plan than that of Steelworkers.

Ask Joint Study

The campaign by unions for a guaranteed annual wage has been accompanied by the suggestion the subject should be studied by a joint union-management committee.

While noting this appears to be a reasonable suggestion on the surface, Industrial Relations Counselors warns against management acceptance of it until management has made a study on its own. The reasons:

1. Announcement of the creation of such a joint committee may be taken by many employees as first step in providing GAW. If such does not come, the employer may be placed in a bad light in the employee's eyes.

2. Failure of a joint study group to agree on a recommendation may result in more company-union friction than an outright refusal by the company.

3. It might not be feasible for an employer to reveal information needed for such a study by a joint committee. A GAW plan would usually involve policies and plans which the company would regard as confidential for either collective bargaining or competitive reasons.

Looking at GAW from the employers standpoint, the IRC report notes it may contribute to employees' sense of security and may improve employee morale to the point where collective bargaining may be made easier and productivity increased.

Eight Reasons For Caution

On the other hand, the report lists eight reasons why employers must approach GAW demands with caution:

1. GAW is a costly fringe demand that will be very difficult to drop once it is instituted.

2. GAW demands involve commitments by the employer involving factors over which he has no control: general economic conditions; periods of war, with accompanying government restrictions; shortage of materials; tariff changes.

3. Most GAW plans have to be limited to a certain number of employees, thereby causing ill-feeling between various employees.

4. No matter how limited the guarantee, it establishes the principle of employer-financed supplementation of unemployment insurance.

5. There is the danger that once established on a limited scale, unions will drive to enlarge GAW coverage.

6. Preliminary estimates of the cost of a guarantee may be very misleading. Example: the employee welfare royalty per ton in the U. S. bituminous coal industry started at 5c in 1946, increased to 10c in 1947, 20c in 1948 and is now 40c.

7. A GAW plan may make an employer reluctant to increase his staff because each new man represents an additional commitment to pay whether or not there is work for the man.

The report also points out that management has done much to stabilize employment in recent years and that this trend is its best weapon against demands for a wage guarantee.

GAW May Give Little

After recognizing that employers have a responsibility to provide security for employees and that this is normal good business, the report cautions that a GAW plan can assure little and may, in fact, create dangerous illusions and serious economic consequences.

As preparation for wage guarantee demands, it is suggested firms ask themselves six questions:

1. Is provision of steady year-round employment accepted as deliberate and announced company policy?

2. Does management have the information to answer the question: How much steady work are we providing each year to what percentage of our employees?

3. Has management fully explored all reasonable ways of stabilizing employment?

4. Do employees know what management has done to provide steady work throughout the year?

5. Are employees and their union representatives fully informed on the difficulties in providing steady work?

6. Has management made every reasonable provision to help meet the problems of an employee that has been laid off and do the employees know of such efforts?

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The Fox and The Grapes

A HUNGRY FOX saw some fine bunches of Grapes hanging from a vine that was trained along a high trellis, and did his best to reach them by jumping as high as he could into the air. But it was all in vain, for they were just out of reach: so he gave up trying, and walked away with an air of dignity and unconcern, remarking, "I thought those Grapes were ripe, but I see now they are quite sour."

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Illustration by Arthur Rackham, from the Heinemann Edition of Aesop's Fables.

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N-23

Cadillac

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Twenty minutes ago, the man you see in this picture came out of a long and harassing conference—tired, tense and with a bit of a headache.

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And that's just what he's doing.

If you own a 1953 Cadillac, you know exactly what's taking place. But if you don't—let's see what happens as he climbs into the driver's seat and lets his wonderful car begin its magic.

It's relaxing just to sit there—and look out over that long, beautiful hood into the beckoning distance.

The seat cushions hold him in buoyant comfort; the slender wheel fits naturally into his hands; great areas of glass surround him and let each glance reveal a panorama.

And, of course, he's proud and happy—for it's an endless satisfaction to own and command such a respected possession.

And now comes the great lift to his spirits: He touches the key, and hears that deep-throated response so characteristic of a Cadillac engine—and, in an instant, he's off for a wonderful, wonderful hour!

Steering is no more than a gesture . . . the lightest touch on the throttle gets immediate action—smooth, quick and positive . . . the brakes are easy and certain under his foot.

So he just sits back and rolls along—with the soft sound of the wind for a lullaby—and the beautiful view for a tonic—resting, relaxing, at peace with the world!

His wife will never suspect, as he wheels into the driveway, that he was a tired and tense and weary husband just one short hour ago.

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ANNOUNCEMENT

BANK OF TORONTO APPOINTMENTS

A. T. LAMBERT S. T. PATON

The Bank of Toronto announces the appointment of A. T. Lambert and S. T. Paton as Assistant General Managers. Mr. Lambert was formerly a Superintendent at the Bank's Head Office. Mr. Paton was Chief Supervisor of Ontario branches. Both will continue to be located in Toronto.

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More Canadians Have Savings Accounts With Average Account Above Last Year

There were 8,022,400 savings accounts in the chartered banks of Canada, at Sept. 30, or 4.2% more than the year before, the Bank of Canada's annual classification of public demand and savings deposits in the chartered banks shows. The 1952 gain over 1951 was 4.3% a slightly larger gain.

The number of accounts does not strictly represent the number of individual depositors but it is reasonably close. Some people may have more than one account, and some of the accounts listed as savings (or notice) accounts belong to corporations with surplus cash on hand. These latter depositors sometimes keep their surplus in a "notice" account where they get a small rate of interest.

The dollar value of total savings deposits at $5,266 millions increased 6.6%, the same rate of increase as in 1952 over 1951.

With the number of accounts increasing at a lower rate than the dollar value the "average" individual account increased to $651, up $15 from Sept. 30, 1952.

Despite this average figure, almost 86% of the total savings accounts by number had $1,000 or less in their accounts, the avarage being $165 ($163 in 1952).

The number of accounts decreases in the higher brackets: only 1,100 accounts had over $100,000 each.

Demand deposit accounts were also higher in both number and dollar value. Total rose 53,600, the amount being up 4%. Average demand deposit in 1953 was $2,663 ($2,679 in 1952). The number of demand deposits rose 4.6%, the dollar value slightly over 4% at $3,149.9 millions.

Comparative figures follow:

ANNUAL CLASSIFICATION OF PUBLIC DEPOSITS IN CANADA IN CHARTERED BANKS

As as Sept. 30	Number Thousands			Amount Millions of dollars		
Demand Deposits	1953	1952	1951	1953	1952	1951
$1,000 or less	910.8	873.5	852.9	208.3	197.2	187.2
$1,000 to $5,000 ..	194.9	183.1	165.0	431.6	405.3	363.4
$5,000 to $25,000 .	60.4	56.8	49.7	608.4	578.7	501.3
$25,000 to $100,000	12.6	11.9	10.2	583.0	550.9	475.7
Over $1,000,000 ..	4.0	4.0	3.3	1,525.7	1,470.5	1,275.9
Adjust items	—	—	—	— 207.1	— 176.7	— 152.3
Total demand deposits	1,182.8	1,129.2	1,081.1	3,149.9	3,026.0	2,651.1
Notice Deposits						
$1,000 or less	6,893.7	6,665.7	6,415.9	1,139.9	1,091.5	1,021.4
$1,000 to $5,000 ..	956.7	880.5	821.6	2,036.7	1,866.3	1,737.6
$5,000 to $25,000 .	163.5	145.9	135.6	1,370.0	1,223.4	1,143.7
$25,000 to $100,000	7.3	6.9	6.7	311.3	295.3	289.0
Over $100,000 ...	1.1	1.1	1.1	357.5	415.0	393.1
Adjust items	—	—	—	+ 10.6	+ 9.4	+ 9.8
Total notice deposits	8,022.4	7,700.2	7,380.9	5,226.0	4,900.9	4,594.7

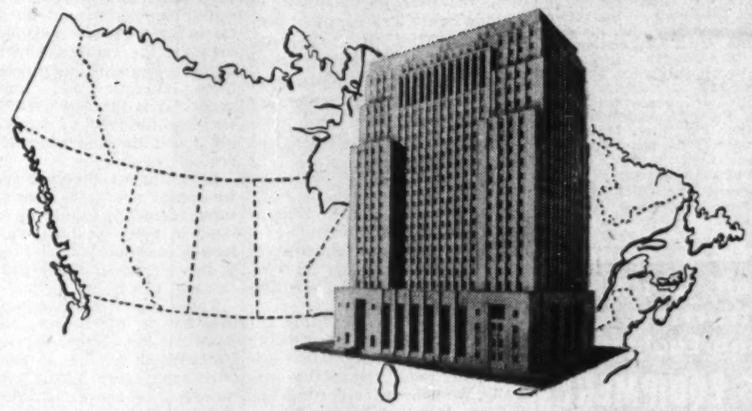
Quebec Joins Up For Budworm War

MONTREAL (Staff) — Three Quebec newsprint companies have entered into an agreement with the Provincial Government to share expenses of starting a battle against the tree-destroying budworms in the Gaspé Peninsula and Matapedia Valley forests.

Involving about 300 sq. miles adjoining the New Brunswick boundary, (north of the budworm infestation sprayed there for the past two years), the aerial spraying project is expected to cost about $400,000. Operations will begin in early spring, coinciding with next year's New Brunswick spray war, as this is the only time of year the elusive little worms can be nipped.

Companies involved are Canadian International Paper Co., Montreal, Price Bros. Co., Quebec, and Quebec North Shore Paper Co., Baie Comeau. They will share half the costs of the scheme (on an acreage basis), while the province pays the balance. Crown lands leased to these operators are involved.

Canada offers you opportunity



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$412,879 Farm Goods On Way To Netherlands Flood Victims

A brief dockside ceremony at Toronto this week marked the largest individual shipment of relief supplies for Netherlands flood victims. Valued at $412,879.50, the shipment of farm implements and tools, purchased from Canadian manufacturers, consisted of 250 tractors, 10 combines, 10 tandem disc harrows and 57 cases of wrenches.

The goods were loaded aboard the M. S. Prins Willem III for delivery in Rotterdam, where they will be turned over to the Netherlands Red Cross for distribution on a prearranged plan to agricultural victims of the February floods. The ceremony was under the chairmanship of J. N. Kelly; Charles La Ferle, transportation manager, Robert Simpson Co., honorary chairman, Canadian National European Flood Relief Fund, presented the shipment to Netherlands Ambassador, A. H. J. Lovink, on behalf of the Governor General, chairman of the fund committee.

The flood fund has been handled by the Canadian Red Cross Society. A Red Cross statement shows $3,102,004.59 was contributed to the flood fund ($1,778,904.59 in general contributions; $323,100 from provincial governments; and $1 million from the Federal Government). Disbursements to date amount to $2,469,523.04 for flood relief supplies. Value of relief supplies sent amounts to $1,254,360.71 to the Netherlands and $1,198,550.15 to England. Total expenses have been only $16,612.18.

Further shipments will be forwarded according to requests from Red Cross units in England and the Netherlands and financed from the residue of the fund.

Life Insurance Sales Increase

Sales of new ordinary life insurance in October were $158.6 millions, an increase of about $5.4 millions over the same month of 1952.

Sales of industrial insurance were down slightly and group sales up slightly. Total new insurance sales for the month were $224.7 millions ($219 millions a year ago.)

Here are the figures:

ORDINARY LIFE INSURANCE SALES By Provinces ($000)

October:	1953	1952
Alberta	11,562	10,821
British Columbia	14,076	14,164
Manitoba	8,058	7,822
New Brunswick	3,057	3,294
Newfoundland	1,153	1,139
Nova Scotia	4,503	4,214
Ontario	66,107	62,721
Prince Edward Island	437	368
Quebec	44,207	43,250
Saskatchewan	5,449	5,666
Total Ordinary	158,609	153,259
Total Industrial	16,300	17,100
Total Group	49,800	48,900
Grand Total	224,709	219,259

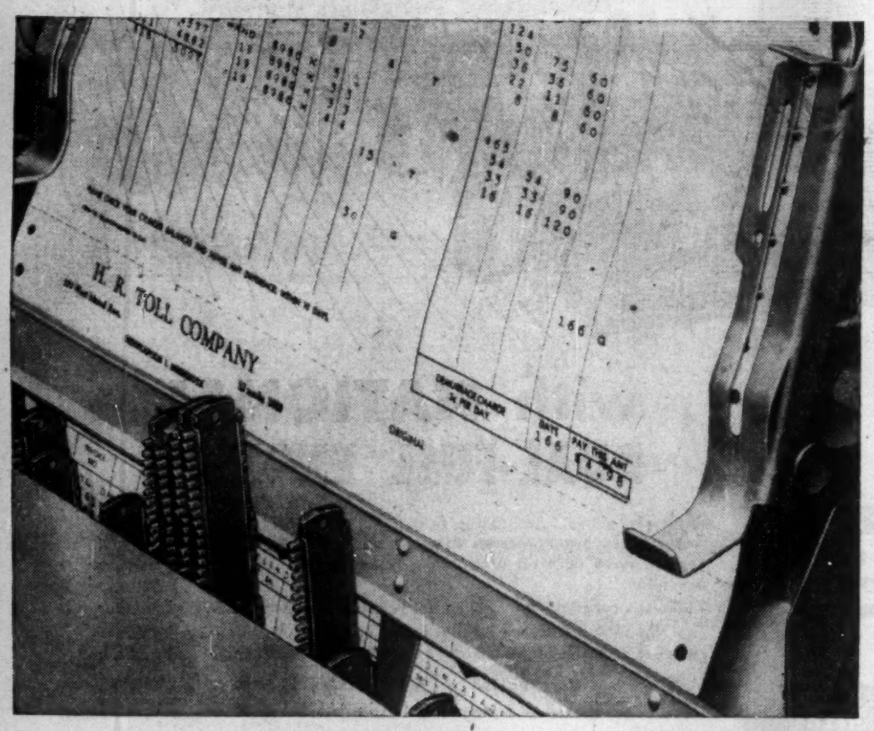
ORDINARY LIFE INSURANCE SALES By Months ($000)

	1953	1952
January	145,490	120,216
February	158,366	131,505
March	172,537	149,986
April	160,737	150,324
May	158,621	148,681
June	174,623	157,449
July	165,768	140,636
August	139,782	117,327
September	136,245	129,359
October	158,609	153,259
November	.....	169,317
December	.....	163,697
Total	1,570,778	1,731,156

Manitoba Power Comm. Distribution up 19%

Manitoba Power Commission distributed 36,448,900 kwh of electricity during October, a gain of more than 19% over the same month in 1952.

Aided by good weather, the Commission set more than 11,000 poles —over 20% of the year's pole setting schedule—during October. Poling is now either completed or under way in all 18 of the 1953 areas.



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This profit-building idea shows clearly why your Remington Rand representative is so well equipped to do the best job for you. After he gets all the facts about your problem, he is free to recommend the one method which will best suit your needs: manual, visible, photographic, machine, punched-card, electronic, or any combination of these methods. He can also offer you any business service required for the efficient installation and operation of your system. Feel free to call him on any kind of management problem.

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Certified Report #876 proves once again that small firms, as well as large, can profit by punched-card methods. This report shows in detail how the H. R. Toll Co. cut costs and eliminated overtime with Remington Rand punched-card methods. For your free copy, call Remington Rand in your city, or write to Remington Rand Limited, 984 Bay Street, Toronto.

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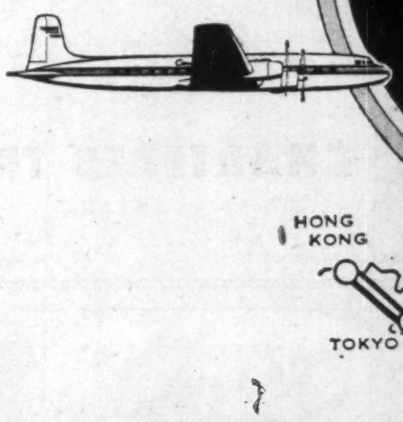

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W. Boaden Burns, chief agent in Canada, Toronto, Ontario, November 5th, 1953.

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The Retail Importance of Imports

What Retail Federation Tells Trade Relations Committee

The Canadian Retail Federation, national organization of Canada's retailers' recently presented a brief to the Senate Committee on Canadian Trade Relations. In it, the Federation calls for a periodic review of customs regulations and procedures, and a statement of policy on dumping. Here is a digest of the brief:

The Canadian Retail Federation recognizes that there are a number of factors of fundamental importance to any proposed solution of the difficulties besetting international trade.

It is, we believe, generally accepted that Canada's economic welfare is heavily dependent upon world trade. Canadians generally, we believe, accept the elementary fact that by the importation of goods and services we accept the only payment which can be made for the exportation of commodities upon which Canada is so heavily dependent.

We, as merchants, concede the need of a measure of protection for certain industries unable, by reason of such factors as our small domestic market, to compete with the products of nations which may have either larger domestic markets or more advantageous conditions of production.

Importance of Imports

It is our belief, however, that the important part played by imports in the stimulation of consumer expenditures is not fully understood. We make the following points:

(a) The availability of imported goods acts as a most important stabilizer to the cost of living by increasing the supply of goods where shortages threaten to generate inflationary pressures.

(b) The degree of variety in Canadian-made products is of necessity restricted by the need of producing reasonable quantities as a means of controlling production costs. Frequently, it is in the consumer's interest to have such goods as are marketable only in small quantities, or for which the demand may be very temporary, imported into Canada rather than to divert Canadian resources toward inefficient production.

(c) In certain cases, the importation of a small volume of imports with some special appeal will lead to a much enlarged domestic production of similar lines to fill that greater demand which so often follows the acceptance of an imported article.

(d) The availability of broad ranges and wider varieties and assortments of merchandise creates added business and raises the physical standards of living of the purchasers. This in turn adds a further urge for development of additional income to satisfy the new wants so created.

Under conditions of high business activity such as we have had during the past 15 years, the operation of this factor tends to be overlooked.

(e) The sales proceeds of imports remain in considerable measure within Canada. Expenditures on customs duties, sales and excise taxes, import handling charges, internal transportation, sales promotion and selling costs, plus ultimate profit, represent a very substantial proportion of the sales dollar. Above all, we would stress that effective consumer demand is the catalyst which initiates the production process for both domestic and imported goods. It is the force which determines the level of national income and the buoyancy of government revenues.

In a transition period such as we appear now to be facing, consumer demands should be stimulated in every possible way. Effective consumer demand consists of two elements: desire and purchasing power.

There exists, both in the savings and in the current earning power of the Canadian people, a tremendous volume of potential purchasing power. This will not, however, be converted into purchases unless the consumer is irresistibly tempted by the attractiveness of the goods offered and the effectiveness of their presentation.

Herein lies the role and the opportunity for the retailer for at least the immediate future. In discharging this role, imports are an important weapon.

Customs Regulations

It is difficult to consider the problem of international trade without giving thought to customs regulations and to their interpretation. The Federation believes there should be, at least periodically, an intensive search to prevent the development of regulations or interpretations which tend unfairly to tax imports and so discourage the flow of particular commodities into the country.

A number of points come to our attention which we would ask be regarded as instances of the sort of development which needs to be watched:

(a) At present, if an importer receives papers covering a shipment and those papers are not completed according to customs regulations and requirements, the shipment may be held up for a considerable time while the correct papers are being obtained.

The Federation believes that an importer should not be penalized because of a technicality when attempting to clear a shipment. There should be someone in authority who could make the decision to accept documents for clearance by the production of either a simple letter or a bond, instead of having the goods held up at customs or, as is presently the alternative, calling the shipments for examination at considerable expense and delay to the importer.

(b) The retailer also frequently has made available to him from American sources material to be used for display purposes for a limited period of time and to be returned to the American source. Today, whether the display material is supplied without cost or on a rental basis, the Canadian importer must pay duty on the full value of the material. The duty is not refundable when the material is returned to the United States. It would seem to be more fair that a regulation should be established which would permit of the posting of a bond as a guarantee of the return of the goods. This condition is provided for at the present time in the United States under a six-months' bond arrangement.

Dumping

A great deal of publicity has been given in recent years to the alleged dumping of merchandise and particularly of textiles. While the application of dumping duties constitutes a very necessary protection in certain instances, the Federation is not satisfied that sufficient caution is always employed in its application and is concerned at times as to the definition of dumping.

By reason of mass production, a nation may produce tremendous quantities of any particular article. This will have a national introductory price level, but at a later date a new price level may be established which might be considerably lower than that of a comparable Canadian make. Does not this new lower price constitute a reasonable and fair market value — one which should not be classified as a dumping price?

The Federation believes that some public statement should come from Government indicating the policy upon which the whole Canadian tariff structure is based. Such a definition of policy would be most helpful to Canadian retailers, among others, in their longer-range planning.

Excise Taxes

The special excise taxes introduced in Canada during the Second World War under the exigencies of wartime finance appear to us to be discriminatory in nature. Many items which are still subject to excise taxes are common to everyday use and might properly be described as necessities. While as merchants we object to taxes of this discriminatory nature being employed for revenue purposes, we also object to their existence because, when combined with other imports, there is a pyramiding effect upon the cost which bears much more heavily on imports than on articles of domestic manufacture.

Monsanto Canada Additives Plant Now Operating

Start up operations of Monsanto Canada Ltd.'s new $400,000 petroleum additives plant began recently at Ville La Salle, Que. This represented the first run of crankcase additives entirely manufactured in Canada.

Scheduled for initial production are several types of detergents and inhibitor additives, both essential components in modern high-performance engine oils. Certain special compounds for gear lubricants will also be manufactured by Monsanto.

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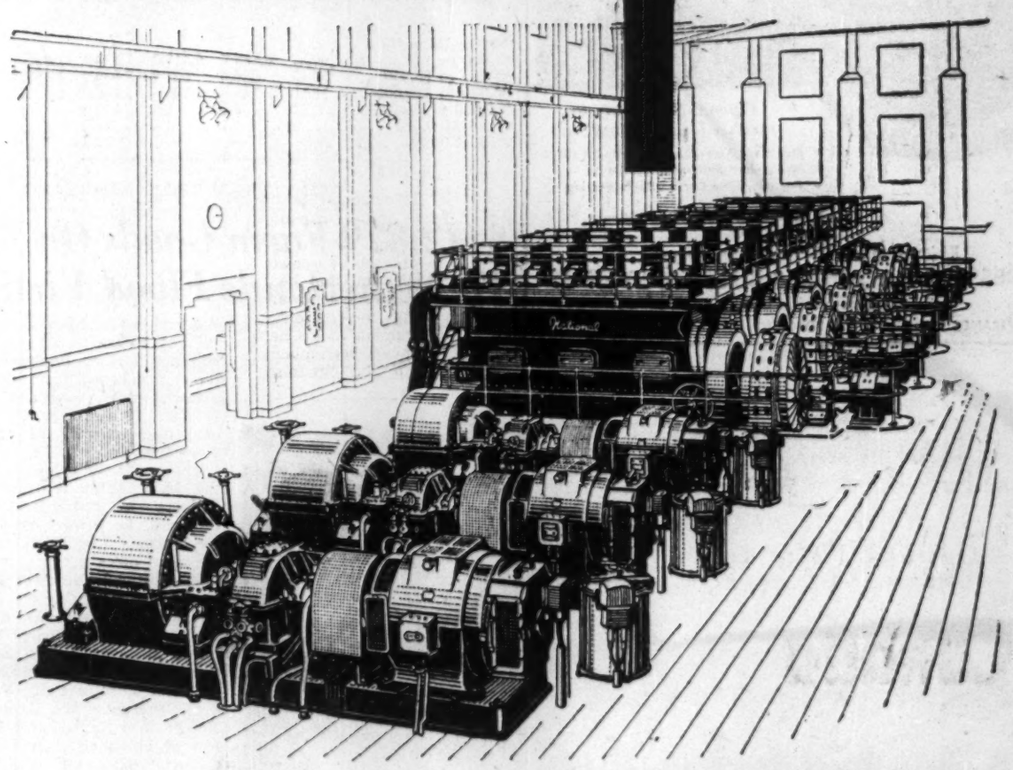

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COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

Milling and Grain

ST. LAWRENCE FLOUR MILLS CO. net profit for year ended Aug. 31, 1953, was $80,681. In previous fiscal year, net loss was $54,576. In addition, a gain of $50,477 was realized on liquidation of a subsidiary, Lunenburg Milling Co.

Number of authorized common shares was increased during the year from 50,000 to 150,000 shares, of which 55,000 were issued during the year for $1,850,000 cash to increase working capital and to take care of contemplated plant improvements, reports President P. M. Petersen.

Annual meeting is Dec. 4.

INCOME ACCOUNT

Years Ended Aug. 31:	1953	1952
Net earnings	$230,599	*$11,449
Less: Deprec.	48,293	54,063
Fund. debt	20,625	20,625
Income tax	81,000	‡31,561
Net profit	**80,681**	***54,576**
Less: Pref. divds.	36,155	36,155
Common divds.	.....	23,929
Surplus for year	**44,526**	***114,660**

*Loss or deficit. ‡Credit.

Times Interest Earned:		
Before depr.	11.18	....
After depr.	8.84	....
Earnings per Share and Dividend Record:		
Pref.: Earned	$15.62	d$10.57
Paid	7.00	7.00
Com: Earned	$0.43	d1.90
Paid	nil	0.50

‡Based on 102,857 shares of which 55,000 were issued in 1953 fiscal year.

CONDENSED BALANCE SHEET

As at Aug. 31:	1953	1952
Cash	$8,599	$8,818
Accts., etc., rec.	686,595	1,257,471
Due from aff. co.	906,081	.....
Inventories	1,770,293	1,528,823
Total curr. assets	**3,371,568**	**2,795,112**
Misc. assets	153,053	177,061
Invest. in sub. cos.	247,592	415,643
Prep. expenses	115,834	†31,914
Fixed assets*	792,769	827,296
Total assets	**4,680,816**	**4,247,026**
Bank & oth. loans	.....	1,446,476
Due affil. co.	.....	42,964
Accts. & tax. pay.	232,109	153,862
Total curr. liab.	**232,109**	**1,643,302**
Funded debt	750,000	750,000
Capital stock	2,720,845	1,070,845
Capital surplus	58,500	58,500
Surplus	819,362	724,359
*After depr. of	1,097,563	1,060,659

†Included in curr. assets in co's report.

Working capital	**3,139,459**	**1,151,790**

STEEL CO. OF CANADA has made available a maximum of 21,000 common shares for subscription by senior employees. Shares will be distributed pro rata and each employee had until Dec. 2 to subscribe.

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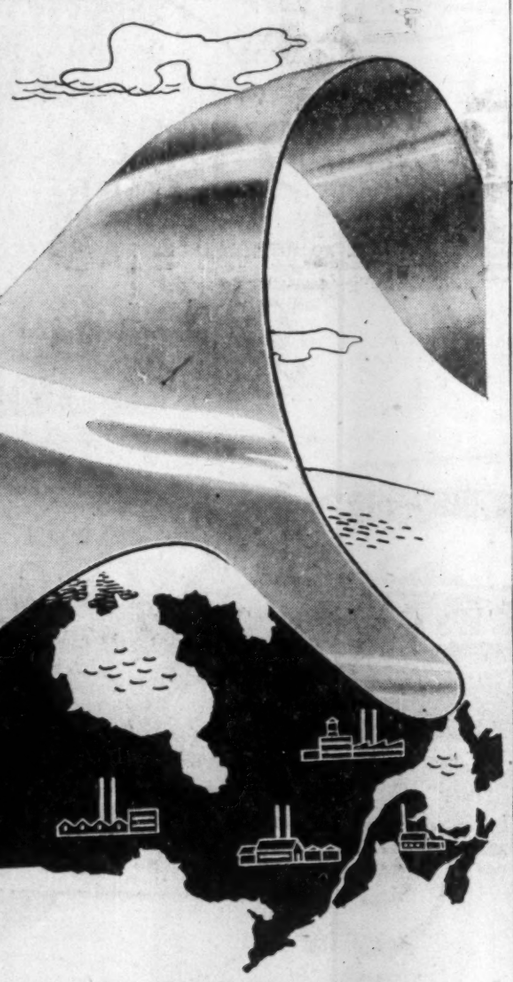
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LETTER FROM LONDON — By Adelphi

The Still-Incredible Churchill

Fighting Fit At 80 For Many Rough Days Yet Ahead

LONDON—Churchill The Incredible enters upon his 80th year, flying to Bermuda to talk with the Wise Men of the West. Then he will fly back to face the day-to-day battle of the Commons. Who says that brandy and cigars are bad for a man? He trains on them and he is fighting fit.

As usual, he attended Harrow School for its annual Speech Day. Each year, on this occasion, the scholars sing the school chorus "Forty Years On." Churchill has an uncertain bass but he joins in where it fits.

Mr. Nehru also was expected at Harrow but he does not turn up for Speech Day or any other day. Perhaps it was at Harrow that he contracted his resentment against the British. Small boys are not trained diplomats.

* * *

Rebellion In Own Ranks But He Won't Budge

Churchill has had a rough time in Parliament. He refused to increase the pensions of a small group of regular ex-officers and brought a storm on his head from his own supporters. It was a noisy and exciting scene, but Churchill would not budge. The whole question of pensions and wage rates is bound up with the cost of living. To give way at any point might mean a flood disaster on the financial front.

Undoubtedly, the dominating figure behind the scenes is Rab Butler. More and more he is having his way in measures to strengthen and safeguard the nation's economy, and not even Churchill can budge him. Butler is not spectacular but he is developing into a man of iron.

His friends say he is not playing for the successorship to Churchill, and that he would be quite willing to serve under Eden providing the nation's finances would remain in his hands. Butler has never been much attracted by pomp and circumstance but there is little doubt that he now sees himself as a man of destiny.

* * *

Gielgud Faces Ordeal By Theatre

England's most eminent actor, Sir John Gielgud, who was recently arrested and fined for importuning males, faced a dreadful ordeal this week. After playing for two months in the provinces, his new play "A Day by the Sea" was due for its London opening.

After his arrest he offered to retire from the cast, and indeed offered to resign from any positions of authority he held in the world of the theatre. The powerful combine of "Tennents," which controls most of London's best actors and producers, urged him to remain. Incidentally "A Day at the Sea" is their production.

It opened at the beautiful Theatre Royal in the Haymarket which of course was packed with celebrities and the usual first-nighters.

Tennents had engaged a wonderful cast to support Gielgud. There were two other theatre knights—Sir Ralph Richardson and Sir Lewis Casson, as well as Dame Sybil Thorndike and a distinguished list of other players. In fact, it was almost like an investiture at the Palace.

* * *

Gielgud does not come on for the first 10 minutes and the atmosphere grew painfully intense. Then he entered from the wings and spoke his first line. But the words were drowned in sustained applause. No one cheered—and they cheer easily on a first night—and no one booed.

A London crowd is a psychic thing and, especially in a theatre, it can express itself as a single entity. That applause was not intended to clean the slate. It was, in fact, a tribute to a great actor who has done more for the London theatre than any other living person. London did not condone the man but refused to crucify the actor.

It must have been a great strain on Gielgud but he went on to the end of the play without showing it. Perhaps he was lucky in the play itself, for it was so slow and so lacking in action that it nearly put us all to sleep.

* * *

House Of Lords Alive With Drama

By contrast, the House of Lords, of all places, was alive with drama—and peers. For two days and nights the crimson benches were packed with lords of all degree, including the bishops and, of course, the Archbishop of Canterbury himself.

It was a case of standing room only for commoners like myself who invaded the precincts of the Upper House. And what was the debate that brought peers from the backwood, the hills and the Lake Country to Westminster? Foreign affairs? The nation's financial situation? The reliability of Lester Pearson?

No. It was the threat of commercial sponsored television programs which brought the very jungle to the centre of things.

Even if this particular program was not sponsored—for the unfortunate peers (unless they are ministers) receive no Parliamentary pay or allowances—it was a mighty good one. What a politician the Archbishop of Canterbury would have made. He played havoc with those who dared to interrupt him. But there were brilliant speeches from both sides.

If it did nothing else, the debate reminded the nation that the House of Lords is still a place where some of the best minds of the nation can exert a strong influence on public opinion.

The anti-sponsorists lost the battle, and now the Government will force the measure through the House of Commons after a bitter fight. But the one gainer is the Upper House which has shown that it is not merely a museum but a brilliant forum of debate.

* * *

Red Imperialism Most To Be Feared

Now our eyes are turned on Bermuda. It is an unfortunate thing that the British and U. S. points of view seem to be diverging dangerously. Churchill wants a frank conference with Russia. Eden has always believed that he, himself, could make a deal with the Soviet. The British may be wrong, but they do not fear Communism as much as they fear the old-fashioned Imperialism which has afflicted Russia through the centuries.

The British believe that the present-day Russian Imperialists, despite their blouses and pantaloons, are only interested in Communism as a means of achieving Russian Imperialist aims. Therefore, the British argue that Communism can only be beaten by improving life under the capitalist system and that Russian Imperialism can only be held by strength of arms and plain talk across the conference table.

Rightly or wrongly, we believe in London that Senator McCarthy is doing more for Russia than Malenkov. This strange American should realize how he is sustaining the hopes of all those who would destroy democracy.

* * *

It will seem strange to have the Queen and her husband away for some many months. With some logic on our side we, at the centre of things, regard them as fellow-Londoners. The Guards at Buckingham Palace will have lost their meaning. We know that the monarchy is shared with all parts of the Commonwealth and Empire but just the same we shall find it strange for these young people to be away until summer is here.

UK Firm Buys Interest, Standard Mach. Expand

A British company with wide manufacturing investments, Stavely Coal & Iron Co., has taken a financial interest in Standard Machine & Tool Co. of Windsor. An extensive expansion program is being undertaken.

Considerable investment in additional machine tool equipment will be made at the Windsor plant to expand the company's local manufacturing production.

An additional plant will be built near Preston. Its facilities will further increase Standard Machine & Tool's manufacture of special-purpose machine tools, particularly the progress-through type machine tool equipment for which use in Canada is increasing.

Technical data will be exchanged between Standard Machine & Tool and James Archdale & Co. of England, in which Stavely Coal & Iron are majority stockholders. Archdale and George Richards & Co., which Stavely wholly owns, are British machine tool manufacturers.

H. J. A. Chambers, president and general manager, and A. R. Davidson, vice president, have retained considerable interest in Standard Machine & Tool. They will continue its executive management.

Company's markets for its special machine tools include the automotive, agricultural implement and electrical industries.

NOTICE

Notice is hereby given that certificate of registry No. C 1444 has been issued by the Department of Insurance, Ottawa, authorizing the American National Fire Insurance Company, New York, to transact in Canada the business of Fire Insurance, Automobile Insurance (excluding insurance against liability for loss of or damage to persons caused by an automobile or the use or operation thereof), Earthquake, Explosion, Hail, Inland Transportation, Personal Property, Real Property Insurance and in addition thereto, Falling Aircraft, Impact by Vehicles, Sprinkler Leakage, Water Damage and Windstorm Insurance, limited to the insurance of the same property as is insured under a policy of fire insurance of the company.

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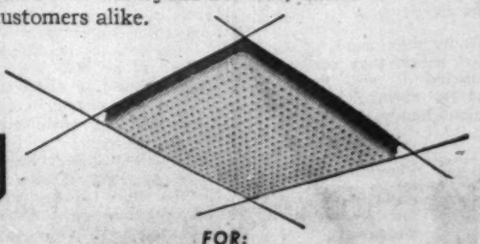
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Health Problems of The Worker, Executive

How Some Doctors View Main Factors In Industry Today

The health and efficiency of Canada's industrial executives and workers is a problem getting increasing attention in our growing industrial economy. How industry looks at the overall problem and what's being done toward providing a solution was the theme of the 34th annual meeting of the Health League of Canada in Toronto. Following are digests of some of the addresses:

Retirement

Dr. RONALD F. BUCHAN, employee health director, Prudential Insurance Co. of America, and associate clinical professor, industrial medicine, New York University — Bellevue Post-graduate Medical School on retirement:

It is anticipated that by 1980 the number age 65 or over in the U. S. will exceed 20 million and constitute 20% of the working population. It is obvious that employment, unemployment, or retirement in this group constitute factors of real and immediate concern. Twenty years from now, every other person will be 45 or more. Of these groups, approximately 3,000 will attain age 65 every day, with a life expectancy of 13 years.

It is time to consider the retiring worker. Despite our present lack of fundamental data, and despite the fumbling beginnings, we are making, what should we think about the integration of the aging and retiring worker in our society? There must, of course, be a basic change in our ideas about the usefulness of the older worker. A certain flexibility might well be given to the retirement decade. At the same time, every worker must plan for his retirement.

An educational program is necessary for all involved — the worker, his family, his union, his management. But this alone will not solve it. How, for instance, are such individuals to support themselves? It is no great trick to figure that to have $100 a month for life, starting at 65, from one's own savings would require capital amounting to $17,000.

Old people, like other age groups, perform best when much is expected of them. Yet there is no simple solution to the problem of how to get jobs for old people. It would appear to me that our society and culture will have to provide jobs for older people in accordance with their ability to produce.

• • •

Occupational Ills

Dr. R. B. ROBSON, medical director, General Motors of Canada Ltd.,

In a 1,000-man plant, in 1952, there were no fatal accidents, 11 men lost 97 days away from work due to occupational accident or illness. This is an almost unbelievable figure, when contrasted with the old standard which allowed one day per man per year lost time due to occupational causes—or a standard of 1,000 days compared to 97 actual days lost.

This excellent showing was not due to the Compensation Act entirely, or medical care, although they receive due credit, but mainly through safe practice, safety devices, safety personnel, and the untiring personal interest of management.

Contrast this accident record with the amount of time lost through non-occupational accident, illness, and other causes.

This same group of 1,000 men, in 1952, lost 520 days due to accidents at home or on the highway.

Days lost due to illness or accident away from work which lasted over seven days, readily obtained through insurance reports, accounted for 5,584 days. These days were accumulated by 129 men.

The average duration of each individual illness was 43 days. Men under 50—duration illness 40 days; men over 50—53 days.

Our records also show time lost, where a man was away but a day or so, due to colds, weddings, hunting, or any cause—when all are added up, these 1,000 men lost 9,619 days due to nonoccupational reasons.

These figures are only of academic interest unless they are useful in acting as a stimulus in increasing the health of the worker, and acting as a base line from which improvement can be judged. Two problems, from analysis of type of illness as shown by our records, were evident where something might be done.

(a) 30% of men under 50 who were ill in 1952, suffered from some digestive disturbance.

(b) 30% of men over 50 years of age had some circulatory difficulty.

Any field of prevention of disease or the maintenance of health in the older worker could well be centred on, or at least a beginning made, in these two major groups; for they seem to have a somewhat common denominator—the sympathetic nervous system has an influence on both.

• • •

Executive Health

DR. HAROLD SEGALL, president of the Canadian Heart Association, assistant professor of medicine McGill University, speaking on the health of the executive:

The health of the executive is good, it can be better, and it is being improved. In 1900, the average duration of life predictable at birth was 50 years, now it is about 70.

The executive in his thirties or forties, formerly, had between 10 and 20 years in which to exercise his talents, now he has about 30 or 40 years.

Our problem is to afford good health of this kind to the greatest possible number of people. Thus, the executive who comes for a periodic medical examination presents a challenging problem to the physician and his team of colleagues who must look for the earliest signs of preventable, curable or controllable abnormalities of body and mind.

The fact that physicians are conscious of the responsibility and that their knowledge provides methods by which the beginnings of some diseases can be recognized and treated effectively means that the health of the executive can be and is being improved.

The greater the number of executives who take advantage of modern medical skill and science in the prevention and control of disease, the greater the number who will have the duration of their lives as effective workers extended into old age.

In considering the advisability of having periodic medical examinations for executives, let us examine what may be achieved by such a service. In 1951 Dr. Robert Collier Page, the general medical director of Standard Oil Co. (New Jersey) reported a study of health maintenance of key personnel:

In 1950, 371 members of the group which Dr. Page designates "key personnel" were invited to have periodic medical examinations, 340, about nine out of every 10 responded. Of these about one third (105) were found to be free from any evidence of disease. In the remainder (235) 97 correctible disorders were found, 55 of which did impair work efficiency and 42 which did not.

The diagnosis of a non-correctible condition was made 180 times; in 137 instances, the disease did impair work efficiency and in 43 it did not.

• • •

Social Aspects

V. W. BLALEN, professor and chairman, Department of Political Economy, University of Toronto, on the health of the industrial worker:

I direct myself to the industrial doctors and plead that they take responsibility for advising management as to the health of the organization as well as to the health of its individual employees; that they adopt a research attitude in their practice so that they can help us to learn more about the conditions of health for an organization; and that they seek to secure for their successors some education in the sociological aspects of industrial life as part of the postgraduate training in industrial medicine in our medical schools.

Industrial physicians tell us that functional rather than organic disease constitutes the bulk of their industrial practice, and research in U. K. has demonstrated a high incidence of neurosis among industrial workers.

There does appear to be evidence, and medical authority, for the proposition that anything that improves industrial morale will make a contribution to the health of industrial workers. Many of us feel the need for better administration which would improve morale is based not on its contribution to productivity but on its contribution to the health and welfare of our people—of supervisors and supervised alike. Indeed I go farther and base my plea on the necessity for improved patterns of administration if our industrial civilization is to be viable.

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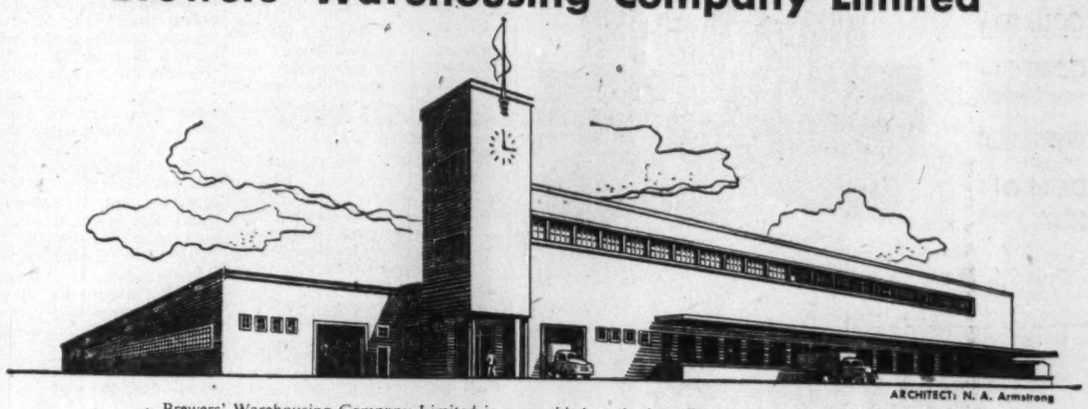

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How Big a Canada by 1971?

Here's Chrysler Corp. Forecast of Nation's Growth

How much will Canada grow by 1971? Chrysler Corp. of Canada set out in 1951 to get an answer. Here is the result of their survey as presented by E. C. Row, president and general manager, in an address to the Rotary Club of Windsor.

By E. C. ROW
President, Chrysler Corp. of Canada

Our decision to expand was based upon as solid a foundation of information about the present and future prospects of this country, as could be obtained.

We do not work by Ouija boards or crystal balls in the automotive industry; nor do we gamble millions of dollars in a childish attempt to improve our position in the market.

Before we considered any form of expansion, we launched an extensive study, aided by some of the best economists available in Canada, to determine as exactly as possible what development could be expected in Canada in the next 10 to 20 years. Our studies carried us up to the year 1971 — (it was started two years ago, in 1951) — and on the basis of this best information available, we laid our plans for our company's future development.

It is our considered opinion, reinforced by this exhaustive survey, that Canada is "going places." We believe that we are on the threshold of a period of solid and permanent growth and prosperity such as this country has never before experienced.

The survey occupied months of research involving all the known factors which could influence the Canadian economy. Of necessity, it does not take into account such calamities as wars or widespread economic upheavals.

What's Ahead

Here are some of the major points of the forecast:

1. Population should reach 17 millions by 1961, and 19 millions ten years later;

2. Number employed should go from 5.3 millions in 1951 to 6 millions in 1961, reaching 7 millions in 1971;

3. The value of goods and services (in what the economists call "constant dollars") produced should increase 30% by 1961. By 1971 there is expected to be a further increase of 40%, to reach the total — staggering by present-day standards — of $33½ billions; (NOTE: In 1951, when survey commenced, the figure was shown as 18 billions.)

4. The survey showed 3½ million households in Canada. In 10 years this will increase to 4.3 millions and in 1971, to more than 5 millions. Households, by today's standards, mean automobiles as well as food, clothing and shelter, for the majority of our people;

5. Spending by consumers for the purchase of goods is expected to increase from slightly more than $11 billions in 1951 to $15 billions in 1961, and $22 billions — double the 1951 figure — ten years later;

6. The study reports that where today there is one car for every 6.7 people in Canada, there should be, in 1971, a car for every 4.3 persons;

7. And lastly, it is probable that the 2,500,000 passenger vehicles currently in use in Canada will increase to 3,250,000 in 1961 and to more than 4 millions ten years later.

It might be emphasized that these are only a few of the major conclusions of the report. These points are supported and reinforced by an imposing weight of documentary evidence that convinces me that, taking into account the limitations already mentioned, we have every reason to view with confidence the years that lie ahead.

Recently, the economic adviser to the Federal Department of Trade and Commerce had some significant things to say on this same subject. He pointed out that each Canadian province has made great industrial progress in the postwar period for sound economic reasons and, in some sections, — notably the West — new industries are succeeding where fifteen years ago they would have been almost certain failures.

His conclusion is:

"Some of the provinces that have been expanding rather slowly in the past have been making up for lost time. They have been expanding in a number of fields more rapidly than the two highly industrialized central (Ontario and Quebec) provinces."

"The record shows that all provinces have been vigorously at work in building up their regional economies, thus strengthening and broadening the very structure upon which Canada's prosperity rests."

If our optimism is tempered, then, by the threat of war and other calamities upsetting these forecasts, it is only fair to bear in mind that, quite unexpectedly, good things which also cannot be foreseen or measured in advance, might make the picture even brighter.

Investment in Windsor

Important as Windsor is to us as the city where we make our headquarters and discharge our obligations as citizens, our fortunes are also shared by a great many other cities and towns across the country. Last year we paid Canadian suppliers close to $75 millions for materials that went into the manufacture of our cars and trucks. I would venture to say that there are in Canada a good many places where the citizens, on the whole, are quite unaware of the stake that they have in the automotive industry.

Chrysler's faith in Windsor has been demonstrated, first of all, by the establishment here of our main base of operations.

Since 1946 we have invested, in Windsor, a further $12 millions in plant and office facilities.

Early this year we embarked upon a program of expansion which, when completed late next year, will result in a further outlay of approximately $20 millions.

(These figures pertain only to Windsor. They do not take into account our outside development program in the Maritimes and the West where we have spent or are spending an additional $2 millions for better plant facilities.)

Chrysler is making immediate plans to again extend its manufacturing facilities in Windsor; we are now preparing to construct at once upon our present premises, a new, large and modern engine manufacturing plant at a cost of approximately $21 millions to be completed early in 1955.

This latest expansion will raise to $54 millions our investment in this community since 1946.

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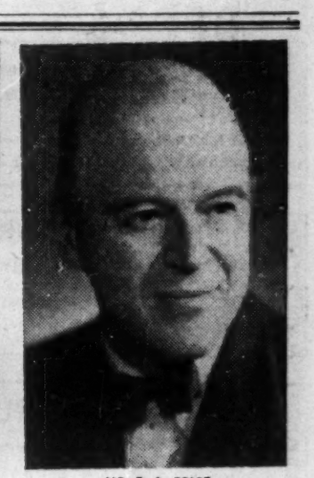

MR. F. A. PRICE, P.Eng.

Messrs. Paul Champoux and Eugene-F. Noel, respectively President and Vice-President of COBRA INDUSTRIES INC., of Quebec, wish to announce the election of Mr. A.-Emile Beauvais, C.A., Mr. Henri Clément, Investment Dealer, and Mr. F. A. Price, P.Eng., as directors of the company and their appointment as members of the Executive Committee.

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Mammoth RCAF Storage Depot Will Serve Eastern Canada

Margison Babcock & Associates Ltd. have just finished construction of the RCAF's new multi-million dollar storage depot building for Eastern Canada at Downsview outside Toronto, a counterpart of the Western Canada depot at Namao near Calgary.

These two will replace all main RCAF storage facilities scattered across Canada in temporary and leased buildings.

The key building at the Downsview base is a quarter-mile-long atom-bomb resistant warehouse with a 15 million cubic ft. capacity. Later with the addition of a repair depot and construction and maintenance unit it is scheduled to become No. 1 Air Material Base for the RCAF.

Employing some 3,000 persons, including civilians, the base—including Downsview airport—will be a self-contained town, electing its own mayor and aldermen. Already 66 of 200 projected married quarters are occupied.

Some $750 millions in contracts are now out to purchase the 175,000 different items to be stocked at the base.

A-Bomb Proof

The concrete warehouse is built along the same general design as the concrete buildings at Nagasaki, the only structures not flattened by the A-bomb there, it is 528 ft. wide and 22 ft. high. At one end is a three-story office and annex to handle administration.

Facilities of the building include loading ramps adjustable to any truck or boxcar height and an endless chain conveyor concealed below floor level moving about 3 mph around the building.

Without windows, constant temperature and humidity conditions are maintained by means of automatic apparatus. Other features of the building are smoke detectors connected to a fire alarm system as well as a sprinkler system.

This supply depot is as complex as a department store carrying: automobile parts; armaments stores; aircraft factory stores; radio and radar equipment parts; general building materials; maintenance stores; clothing; aircraft engines and aircraft components. The building also includes a packaging and "mothballing" section.

Plan Lower Rent Winnipeg Apts.

From Our Own Correspondent

WINNIPEG — A $2.7 million apartment development in northwest Winnipeg to provide accommodation for 336 families is being planned.

Diamond & Golden has taken an option on an 11-acre tract of city land. The city has indicated that a request to vary restrictions to allow 10 apartment blocks on the site, will likely be granted. The firm may ask for tax concessions before the project is undertaken, it is understood.

Rents will be "20%-25% below current rents for new suites," according to Cecil Blankstein. A partner of Green, Blankstein, Russel & Associates, architects in charge of the project, he left for eastern Canada to arrange financing. Both private and Central Mortgage & Housing Corp. funds would be involved.

A part of the land would be left for commercial development. A space of 2.5 acres has been set aside for recreational purposes. There would also be parking space. Plans call for 208 four-room suites.

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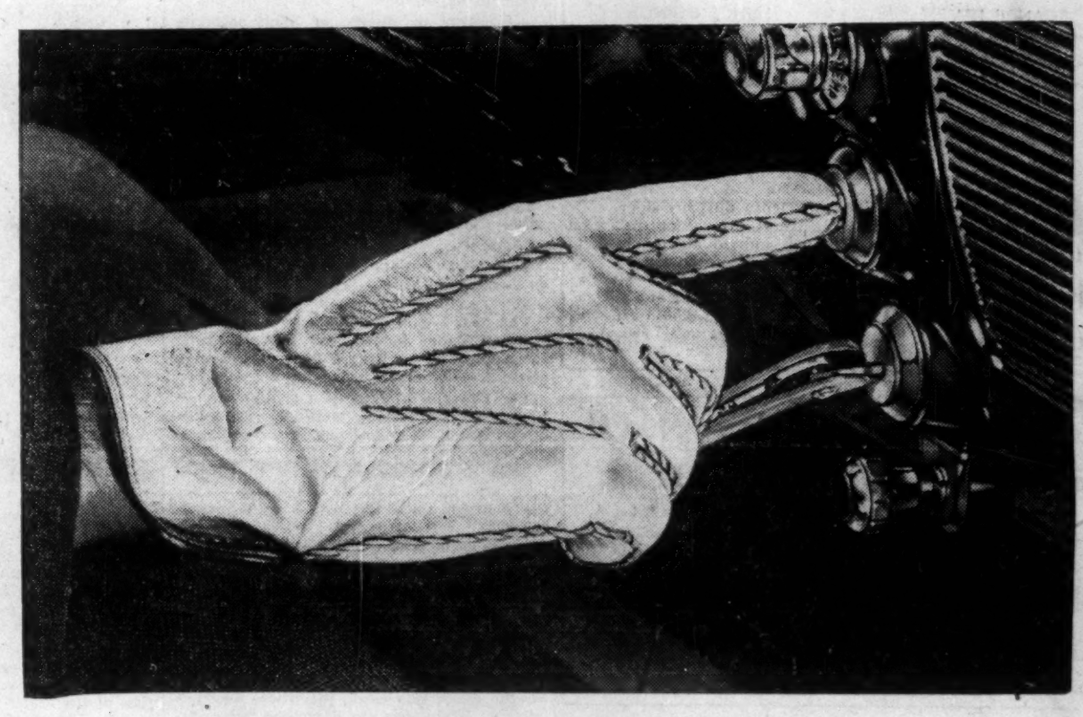

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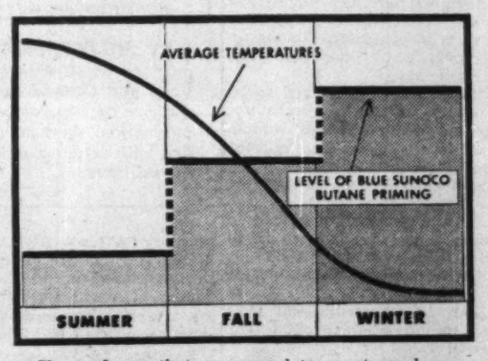

Chart shows that, as seasonal temperatures drop, Butane is added to High-Test Blue Sunoco to step up its cold weather volatility. Butane-Primed Blue Sunoco fires *instantly* in coldest weather . . . gives you *quicker* quick-starts, even on coldest days.

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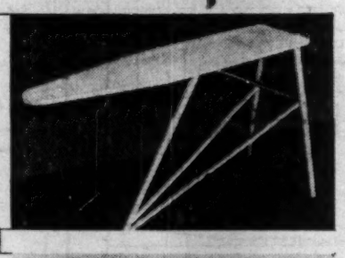
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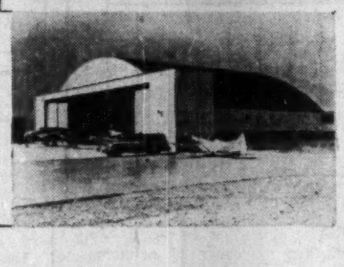
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WATCH YOUR STEP!

Succession Duties Can Be Baffling

There's No Rule Of Thumb, But Here's A Handy Guide

In this final article of his Watch Your Step series, Post writer Don MacLean takes a look at succession duties. It's a baffling business, he says, with no ready answers. But knowing what's involved can help predetermine taxes on estates and eliminate or minimize tax grief for beneficiaries.

By D. G. MACLEAN

"How much will the succession duties be?" is a common question when someone dies.

Succession duties are so involved, the question can never be answered offhand.

Even if you know the value of the assets, you're only just beginning a calculation requiring a lot of arithmetic and you must Watch Your Step all along the way.

Establishing the "net taxable value" is the first step. Net taxable value means all assets owned by the deceased at death, including (1) real and personal property within the jurisdiction where you are domiciled, plus (2) all personal property situated outside the jurisdiction. (In Ontario this rule applies when beneficiary is domiciled in the province.)

Personal property usually means property other than real estate, including securities, jewelry, furniture, antiques, cash in bank, proceeds of life insurance on which you paid the premiums (no matter to whom payable) also proceeds of life insurance payable to the company or business in which you are interested, except any proportion which may be retained by the company for its own benefit.

It also includes:

—Property transferred by gift within three years under the federal law, within five years under the Ontario or Quebec law.

—Property over which you have a general power of appointment or disposal by will.

—Property or money or bank accounts you hold jointly with some one else except such part as can be shown to have been contributed by the other person. This rule does not apply to real estate as far as the federal succession duties are concerned.

Under federal law succession duties can not reduce the value of the estate below the "starting point of $50,000." Thus suppose you leave assets worth $52,000, the tax could not reduce the value of the estate below $50,000, that is the tax could not exceed $2,000.

The same rule applies under Ontario law as regards an estate left to people in the preferred class.

The $5,000 exemption allowed dependent children under federal law is reduced by the amount of any benefit the child received directly.

The Ontario law has no absolute exemptions. But the starting point varies in different classes of beneficiaries. (The Financial Post, Nov. 28.)

Thus if beneficiaries are all in Class I (the preferred class) no succession duties are charged until the estate value passes $50,000.

If beneficiaries are all in Class II, estates are not taxable until they exceed $10,000.

If beneficiaries are all strangers, no succession duties are charged until the estate exceeds $5,000.

Like the Federal Government $50,000 exemption, these Ontario exemptions are not absolute. Once they pass the starting point for the different classes, the whole becomes taxable. There are no deductions comparable to those given by the federal law to widows, dependent children, etc.

The Quebec exemptions on property passing in direct line to descendents, ascendents, consorts and certain other relatives connected by marriage up to $10,000 is increased by $1,500 for each child in the first degree under 25 who is domiciled in the province and survives the deceased. These exemptions apply only if net value does not exceed $50,000.

Under federal law all bequests to charitable organizations in Canada are exempt but are included in the value of the estate when fixing the initial rate of duty.

Ontario gives total exemption to religious and charitable educational organizations carrying on their work entirely in Ontario and to charitable organizations carrying on their work entirely in Canada.

If a charitable or educational organization carries on work outside Ontario, the province will give exemption proportionate to the operations carried on in Ontario.

Gifts to the Canadian Red Cross Society and the Canadian National Society for the Blind are specifically exempted as are gifts to approved patriotic organizations.

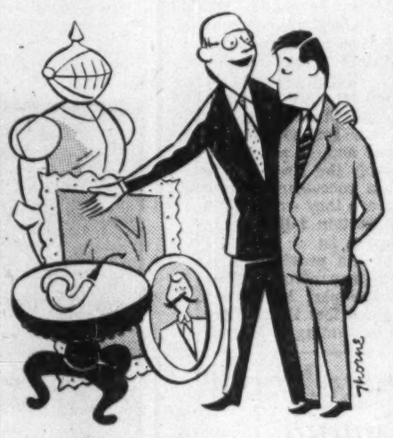
Quebec exempts property given or bequeathed for educational, religious or charitable organizations.

There are two rates used in calculating succession duties:

—An initial rate varying with the aggregate net value of the estate;

—An additional rate measured by the amount of the bequest and the relationship of the beneficiary to the deceased.

Under the federal law, the initial rate runs from 3% on an estate of $50,001 to 20% on estates over $5 millions. The additional rate ranges from 2% to 34%.



Personal property covers a wide range.

Ontario and Quebec also have initial and additional rates.

Because it is based on the entire estate, the initial rate is sometimes called an "estate based" rate, the additional rate a "share based" rate.

In Ontario, in addition to the initial and additional rates there is also a surtax on the amount of tax payable: 15% for a Class I beneficiary: 20% for Class II and 25% for Class III.

Besides the three factors noted as affecting the amount of succession duties, the location of the assets must be considered. Thus if you live in Manitoba and own assets in Ontario or Quebec or outside Canada, you may have to pay duties to each jurisdiction. Some relief is possible through reciprocal agreements between some jurisdictions and countries aimed at preventing or limiting double taxation on the same assets.

Because the rates vary according to the size of the bequest as well as the size of the estate itself, an estate left to one beneficiary will pay a higher tax than one left to more than one of the same class.

Thus, suppose you are domiciled in Ontario and die leaving an estate of $100,000 to your wife.

Federal succession duties would be as follows:

Initial rate on $100,000	4.9%
Additional rate on $100,000	9.8%
Total rate	14.7%

Duty 14.7% of $80,000, $11,760 ($100,000 less widow's $20,000 deduction).

The Ontario duties would be calculated as follows:

Initial rate on $100,000	5.0%
Additional rate on $100,000	2.5%
Total	7.5%
Ontario duty 7.5% of $100,000	$7,500
Plus surtax of 15% of $7,500	1,125
Total tax	8,625

Under the federal law you may deduct from the federal duty in each succession either the amount paid to any province on such succession or half the federal duty whichever is the less.

In this case half the federal tax is the smaller so the total tax is:

Ontario tax	$ 8,625
Federal tax (half of total)	5,880
Total duty payable	14,505

Now if the property is left to be divided $10,000 to the Toronto Hospital for Sick Children, $20,000 to each of two dependent children, $50,000 to the widow.

Under the Ontaria law gifts to the Hospital for Sick Children operating within the province are wholly deductible. The $10,000 therefore is exempt Ontario duty and is deductible leaving as net amount for determining the rate $90,000.

Under the federal law, the gift would also be exempt from duty but would be included for determining the rate.

Ontario Duty

Ontario duty on property passing to the widow and children the duties would be as follows:

Initial rate on $90,000	4.4%
Additional rate	nil
Duty on widow's bequest 4.4% of $50,000	$2,200
Plus surtax of 15%	330
Duty on children's bequests 4.4% of $40,000	$1,760
Plus surtax of 15%	264
Total Ontario duty	$4,554

Dominion Duty

Widow

Initial rate on $100,000	4.9%
Additional rate on $50,000	6.9%
Total rate	11.8%
Duty 11.8% of $30,000 ($50,000 less $20,000 deduction)	$3,540

Children

Initial rate on $100,000	4.9%
Additional rate on $20,000 (each bequest)	4.8%
Total rate	9.7%
Duty 9.7% of $30,000 ($40,000 less $5,000 for each child)	$2,910
Total federal duty	6,450
Federal duty after deduction for Ontario duty is paid	3,225

Total Ontario and Dominion duty payable is therefore $7,779. A comparison of the total duty paid under the two methods of

(Continued on page 27)

Selected Growth Stocks — Quarterly Review — By NESTOR

The Financial Post's exclusive series of Selected Growth Stocks was chosen by one of the continent's most prominent and successful investment advisers. Basic information on all 26 companies was given Jan. 10-April 4. The reasons for choice shown below the accompanying charts were those given when stocks were chosen in January, 1953. Each will be reviewed quarterly. Publication of this series in The Post does not constitute a recommendation to buy these stocks.

B-A Oil

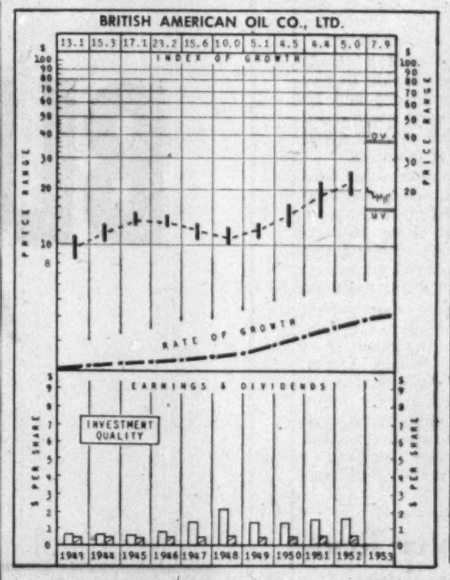
Current chart shows British American Oil common, at recent $20 a share market price, trading 25% above its UV level and 85% rise from its OV level. 1953 high $21½, low $16¾. Yield at $20, based on current 17½c quarterly rate, 3.5% per annum.

Sales this year in the first nine months 7% ahead of the comparable '52 period and trend has continued. Earnings understood to have reflected this rising sales trend, with prospects of being up substantially for the full year over year ago.

Outlook for '54 believed to be favorable. Marketing activities expected produce physical volume equal to or better than current year. Earnings results, of course, depend on extent to which costs and prices change.

Company continuing to add to crude oil reserves in both U. S. and Canada, and this trend expected to persist. Recent success in Manitoba, earlier successes in drilling in Oklahoma and Colorado provide promising additions to reserves.

New ocean-going tanker added to tanker fleet last month operating between Venezuela and Portland, Maine, eastern terminus of Portland-Montreal pipeline.



WHY SELECTED: B-A is an integrated petroleum unit with important reserves in U. S. and Canada contributing under aggressive exploration activities to increasing production. As crude output comes more in line with refining activities, profit margins should increase.

Asbestos Corp.

At recent market price of $24½ a share, Asbestos Corp. common selling 104% above UV level, leaving 22% rise possible before reaching OV level. High this year $27½, low $23¾. Extra 25c a share declared payable Dec. 23 to holders of record Nov. 27, bringing total '53 payments to $1.25, same as in '52. Yield 5.1%.

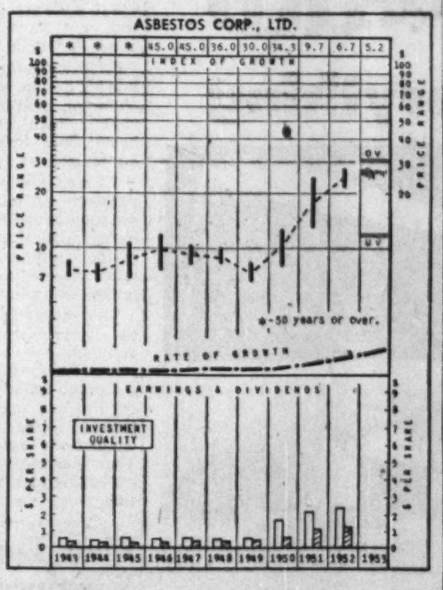
Earnings for '53 expected to compare reasonably well with '52 level ($2.36 a share).

Demand for asbestos still very good, though supplies of all grades now much closer to being in balance with demand. No industry-wide shortage of any grades now.

Demand for shorter fibres dropped earlier this year but has picked up considerably since, and now described as "pretty good."

No changes in asbestos fibre prices this year.

Demand from some overseas markets has been lower this year. However, total industry exports in first nine months were down only slightly (less than 3%) and shipments to all markets were less than 2% below 1952 levels.



WHY SELECTED: Asbestos Corp. is the largest independent producer of asbestos fibre — an essential mineral of worldwide use in construction and building. It has large ore reserves and has under way a major program for expansion of production.

How To Read The Stock Charts

INDEX OF GROWTH: The rate at which the value of the equity behind the stock is doubling as determined by the growth rate at which it entered the year. A figure of 5.6 for the present year would indicate that at its current growth rate, the equity value is doubling every 5.6 years.

PRICE RANGE: The annual high, low and mean price. Monthly ranges for the current year.

UNDERVALUATION AND OVERVALUATION PRICE LEVELS: Shown by the narrow horizontal lines above and below the stock's price range indicating price at which the particular stock is adjudged as underestimating or overestimating its future rate of growth. A stock showing a fast-growth rate will sometimes anticipate growth by two or three years. In this case, it may not be so attractive a purchase relatively as some other fast-growing stock that is not anticipating its growth beyond the immediate present. Other factors, such as rate of growth and investment quality, will also enter into the comparison an investor will want to make.

Without these UV and OV levels, a current quotation of, say, 55 or 75 would carry no significance regarding long-range value. The UV/OV levels also permit judgment as between one stock and another. They are not designated points of purchase or sale, nor do they attempt to show what will be a stock's bottom or top figure in any given year.

RATE OF GROWTH: The rate, as based on Nestor's tests, at which the company is showing underlying, or long-term, growth. This will determine the price trend of the company's common stock over a period of years and, in most instances, the trend of dividend payments.

Background and principles behind the selections by Nestor were discussed in a special article in The Financial Post, Jan. 10. A limited number of reprints are available on request.

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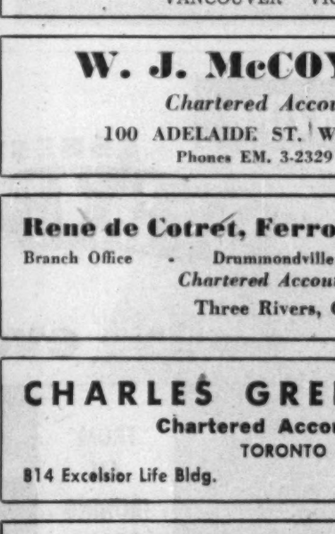

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Succession Duties Can Be Baffling

(Continued from page 26)

distribution indicates a saving when the estate is deductible in amounts small enough to be free of additional Ontario tax rates in each succession.

Important savings can also be effected by distributing your estate under a trust plan.

Suppose you leave an estate of $100,000, your widow to have the benefit during her lifetime and your children to inherit at her death.

If you leave it outright to your widow and she in turn leaves it to the children succession duties are paid on practically the same assets twice.

But if you establish a trust by which your wife gets a life interest in the estate and the remainder passes to say three children all over 18 and not dependents, the life interest of the widow is calculated according to mortality tables issued by the Government and only the remainder is taxed when the children inherit.

Suppose your widow is 60 when you die. Calculations show that the duty payable under the two successions on an Ontario estate would be $23,564, but under a trust will the total duty would be $10,119 a saving of $13,445.

In planning to meet succession duties as in all problems connected with building and disposing of your estate, it's wise to get expert advice from your lawyer, your life insurance adviser, and your trust company officer. Consult with them freely, on making your will arranging your estate. Don't forget life insurance can be used with advantage, in providing ready funds to pay your succession duties.

Dividends For December Lower At $90.6 Millions

Dividend payments in December (as declared at Nov. 27) amount to $90,616,658, compared with $108,618,016 in the same month last year. Last-minute declaration of dividends, and extras declared just a few days prior to distribution in certain cases, may boost this December's total above the 1952 figure.

Payments already declared by 165 industrial issues will total $41,527,481; last December, 226 industrial stocks paid $49,386,366. Dividends of $27,293,121 will be distributed by 30 mines, a reduction from last December's distribution of $35,760,600 by 34 mines.

Five oil companies will pay out $16,252,505, up slightly from payment of $16,287,548 by the same number of oil companies a year ago. In the financial group, 29 stocks will bring $5,508,508 to their holders, compared with $7,218,545 paid out by 53 financial issues in December, 1952.

Total dividend distribution for 1953, declared so far, is $554,384,103, compared with $571,223,618 for the full year 1952.

Following is a list of payments for December as compiled by The Financial Post from records now available:

Monthly Dividends

	1953	1952
January	$56,375,681	$63,173,827
February	28,045,037	28,679,287
March	57,715,583	60,442,912
April	36,705,372	34,499,722
May	12,233,148	12,026,966
June	82,467,367	81,047,921
July	51,017,943	49,334,431
August	27,276,115	26,526,993
September	57,183,648	56,360,744
October	40,657,742	36,483,974
November	14,089,789	13,828,823
December	90,616,658	108,618,016
Total	534,384,103	571,223,618

Industrials and Utilities

Company:	Rate $	Date	Amount $
Acadia-Atlantic 5% p.	1.25q	15	37,500
Agnew-Surpass	.10q	1	40,294
Do.	.27½s	1	11,407
Aluminium	†.50q	5	4,501,334
Aluminum 4% pf.	.25q	1	129,245
Do. 5¼% pf.	1.31q	1	393,000
Anglo-Can. Tele. A	.15q	1	73,065
Argus	.15q	1	127,500
Do. 4½% pfd.	1.12½q	1	56,250
Asbestos Corp.	.25q+.25	23	900,000
Assoc Tel. & Tel. A	‡1‡41.00		2,530,323
Atlantic Whole. pfd.	.55s	1	12,375
Auto Electric	.15q+.10	15	25,000
Do. A	.12½q	15	3,750
Barber-Ellis	.80	15	35,200
Bathurst Pr. & P. A	.75q	1	300,000
Do. B	.25	1	81,250
Bird Construction	.50q	31	12,000
Brantford Cord. A	.25q	1	15,000
T. G. Bright 5% pf.	.28¾q	31	28,750
British Am. Bk. Note	.25q	15	37,500
Brown & Co. 1st pf.	†1.25q	1	179,320
Do. 2nd pref.	†.75q	1	71,329
Burrard D.D. A	.11q	15	27,500
Butterfly Hose	.10	15	10,778
Can. Cement pfd.	.32½q	21	318,681
Can. Dom. Sugar	.25q	1	375,000
Can. Flooring A	.25q	1	10,188
C. Fdry. Forg. A	.37½q+1.50	17	23,923
Do. B	1.50+11.40	18	27,940
Can. Machine	.25s+.15	28	40,000
Can. Malting	.50q+.50	15	198,972
C. Safeway 5% 1st pf.	1.25q	1	54,442
Do. 5% 2nd pf.	1.25q	1	24,244
Can. Vinegars	.20q+.20	1	36,800
Can. Wire & Cable A	1.00q	15	2,925
Do. B	.75q	15	153,113
Can. Bronze	†1.25	15	200,000
Can. Celanese	.30q	31	372,491
Do. $1 pfd.	.25q	31	25,000
Do. $1.75 pfd.	.43¾q	31	175,000
Can. Dredge	.55s	11	80,559
Can. Fairbanks	.25q	1	60,000
Can. Ing.-Rand	1.25q	22	241,443
Can. Tire	.15q	1	15,000
Can. W. Nat. Gas 4% pf.	.20q	1	30,082
Catelli Food Prod. A	▲.15	21	13,771
Do. B	▲.15	21	13,771
Cockshutt Farm	.25q	1	267,025
Cons. Textile pfd.	.50s	1	7,078
Cons. Theatres A	.12q	1	9,744
Do. B	.10	1	24,300
Cooksville A	.15q	1	13,350
H. Corby Dist. A & B	.50s	1	555,958
Corr. Paper Box	.12½	1	29,375
Do. 5% pfd.	1.25	1	5,614
R. L. Crain	.15q	31	13,500
Crow's Nest Coal	2.00s	2	124,254
David & Frere A	.75	31	15,473
Davis Leather A	.37½q	1	37,500
De Havilland Air. A pf.	1.00	1	32,000
Dist. Corp.-Seag.	.30q+.50	15	7,015,480
Dom. Stores	.15q	15	189,008
Dom. Struct. Steel	.10q	15	10,000
Donohue Bros.	.30q	1	90,000
Dover Ind.	.15q	1	21,422
Eddy Paper A	.25q	15	50,000
Electrolux	1.25q	15	307,625
Erie Floor & Wood A	.30s	31	10,500
Do. B	.25	30	15,000
Famous Players	.35q+.20	24	955,390
Ford Motor A & B	.50q	15	829,480
Gordon MacKay A	.12½q	15	25,200
Do. B	.25q	15	50,400
Gould Pumps Inc.	†.25	18	13,081
Grafton A	.25q	15	9,030
Gt. Lakes Pap. A	.62½q	31	41,027
Do. B	.30q	31	30,000
Gypsum, Lime	.50q	1	220,021
Hamilton Bridge	.12½q+.25	15	92,156
Hamilton Cotton	.35q	1	28,000
Hinde & Dauch	.35q	24	105,000
Imp. Tobacco ord.	.10q	31	967,053
Imp. Varnish	.30	1	16,023
Do. pfd.	.37½q	1	4,021
Int. Brew. B	.12s	15	27,540
Intl. Pap.	†.75+1stk. div.	21	6,675,000
Do. 4% pfd.	†1.00	21	230,000
Inter. Utilities	†.35q	1	337,634
Kelvinator	.37½q	19	150,000
Lake of Woods M.	.40q	1	59,076
Do. pfd.	1.75q	1	26,250
Alf. Lambert A	.15q	31	6,225
Do. B	.15q	31	6,225
Laura Secord	.20q	1	57,500
Loblaw Gr. A & B	.37½q	1	357,509
Loblaw Groc. Inc.	†.25q	1	87,873
Lawson & Jones A stk. div.		1	.....
M. Loew's	1.00q+1.00	31	15,000
Lounsbury A	.12½q	1	13,311
Do. B	.12½q	1	4,798
MacMillan & Bloedel	.12½q	31	18,240
Do. B	.12½q	31	642,440
Minas Bas. Pulp & P.	†1.00	19	17,000
Massey-Harris	.15q	15	1,154,370
McIvor Drilling	.50	1	72,500
McLennan, McFeeley & Prior pf.	1.12½q	31	13,500
Melchers 6% pfd.	.30s	31	37,500
Mersey Pap.	1.00	12	198,234
Mexican Lt. & Pwr.	*.50	1	426,622
Milton Brick	.07½	1	41,250
Mitchell, Robt.	.50s	15	36,200
Mod. Contain.	.50s	2	25,937
Molson's Brew. A & B	.20q	17	300,000
H. Morgan 5% pf.	1.25q	1	12,125
Do. 4½% pf.	1.19q	1	16,244
Nat. Drug	.12½q+.20	1	93,893
Do. pfd.	.15q	1	36,728
Nfld. Lt. & Pwr.	.30	1	36,000
Do. 5% pf.	1.25q	1	15,000
Nor. Que. Pwr. 5% pf.	1.25	1	12,500
N.S. Lt. & Pwr. 4% pf.	1.00q	1	20,000
Do. 4½% pfd.	1.13q	1	42,456
Do. 6% pfd.	1.50q	1	36,450
Ogilvie Flour pfd.	1.75q	1	35,000
Ont. Jockey Club	.05	15	90,000
Paton Mfg.	.20q	15	10,000
Do. pfd.	.35q	15	9,198
Powell River	.25q+.30	15	2,310,000
Pressed Met. of Am.	†.25	1	81,363
Do.	*stk. div.	30	.....
Robinson Little A	.25q	1	6,250
Rolland Pap.	.25q+.25	1	30,000
Do 4½% pfd.	1.06¼q	15	18,063
Russell Ind.	.25q	29	191,000
Sarnia Bridge	.20q+.20	15	54,000
Scythes & Co.	.35q	1	17,500
Do. pfd.	.31¼q	1	3,472
Shaw. Water & Pwr.	▲.25	30	544,363
Sick's Brew.	.30q+.20	31	476,000
Silknit	.25q	15	16,021
Do. pfd.	.50q	15	7,432
Silverwood Dair. B	1.20	21	88,242
H. Simon & Sons	.75	1	22,538
Do. 5% pf.	1.25q	1	4,640
Simpsons Ltd.	.12½q	15	375,000
Southam Co.	.40	28	300,000
Stowell Screw A	.75s	1	3,625
Toronto Elev.	.20q	1	40,540
Un. Amuse. A & B	.25+.15	15	129,326
United Steel	.25q	31	117,381
Verney-Cord. 6% pf.	.37q	15	13,874
Viceroy Mfg. A	▲.12½	15	29,548
Virginia Dare 5% pf.	.31¼q	1	5,000
Waterous Equip. 6% pf.	▲.60	15	4,500
Westeel	.30+.20	15	236,302
West. Can. Brew.	.25q	1	159,586
G. Weston 4½% pfd.	1.12½q	1	135,000
Wilson, J. C.	.17½q	15	29,006
Windsor Hotel	.50	21	49,193
Winnipeg Electric pfd.	2.50s	5	125,000
G. H. Wood pfd.	1.37½q	1	5,500
Total			41,527,481

Mining Companies

Aunor G. M.	.04q	1	80,000
Bulolo	.50	1	500,000
East Sullivan	.15	15	637,300
Falconbridge	.25s	15	930,318
Ralinor	.05	1	100,000
Hollinger Cons.	.06q	29	295,200
Hudson Bay M.	1.00q	21	2,757,973
Inter. Nickel	†.50q+.35	21	12,396,421
Kerr-Addison	.20q	30	946,060
Lake Shore M.	.10	15	200,000
La Luz M.	.03s	17	73,221
Macassa	.02q	15	53,561
MacLeod-Cockshutt	.05	1	143,125
Madsen Red Lake	.05+1.02	23	244,967
McIntyre Porc.	.50q	1	399,000
Mining Corp.	.50	31	1,067,403
Nor-Acme	.01‡	10	23,115
Noranda Mines	1.00q	15	2,239,772
Normetal	.08	30	300,561
Pamour Porc. M.	.03	15	150,000
Placer Develop.	.50s	15	430,000
Quemont M.	.75	30	1,576,626
San Antonio G. M.	.03	1	71,791
Silver Stand. M.	.02+.01	15	64,325
Siscoe G. M.	.02	21	92,801
So. Amer. Gold & Plat.	.10	14	162,383
Sullivan Cons.	.05	16	200,000
Waite Amulet	.35q	10	1,155,000
Total			27,293,121

Oil Companies

Andian Nat.	†.20s	1	510,000
Imperial Oil	.40s	1	11,938,890
Int. Pete.	1.25q	1	3,631,022
Royalite Oil	.06¼q	1	186,872
Stuart, D. A.	.20q	1	20,764
Total			16,287,548

Financial

Bk. Can. Nationale	.25q	1	175,000
Do.	▲.20	10	140,000
Bk. D'Economie de Que.	.25q	1	25,000
Bank of Montreal	.30q	1	1,080,000
Do.	▲.20	15	720,000
Bank of Toronto	.35q	1	210,000
Can. Int. Tr.	.10	1	12,001
Do. pfd.	1.25q	1	11,625
Confed. Life	.35q	15	38,000
Cons. Div. Sec. pfd.	.75s	31	15,750
Dom. Anglo Invest. p.	1.25q	1	12,500
Dom. Bank	▲.10	15	70,000
Dom. Scot. Inv. p.	.40	31	33,661
Imp. Bank	▲.30	1	210,000
Indust. Accept.	.62½q	28	602,464
Do. 5% $30 par	.37½q	28	39,963
Do. 4% $40 par	.50q	28	87,500
Do. $4.25 pf.	1.06¼q	28	14,978
Do. $5.00 pf.	1.25q	28	16,928
Interprov. Build. Cred.	.12½q	1	5,814
Lambton Trust	2.25s	31	13,767
Leverage Fund	.64q	15	14,402
Nat. Trust	1.20	1	60,000
Provincial Bk.	.15q	1	62,955
Royal Bank	.30q	1	1,050,000
Do.	▲.20	15	700,000
Sovereign Life	†½a	15	14,700
Union Accept. 6% pf.	.30q	1	7,500
Victoria & Grey Tr.	.20q	15	40,000
Total			5,508,508
Grand Total			534,384,103

†One sh. for ea. 10 shs. held. New shs. to rate for Dec. divd.

q—Quarterly. s—Semiannually. a—Annually. †Payable in N. Y. funds. ●Initial. ▲Extra ‡Special. ♦Bonus.

*4 7/10 pf. shs. ($1 par) for ea. sh. held. $2 portion to be redeemed Apr. 2, 1954.

‡‡Eliminating arrears.

CSE Refuses Mine Listing To Can. Javelin

MONTREAL (Staff)—Canadian Javelin Foundries & Machine Works Ltd. has been denied listing on the Canadian Stock Exchange as a financial company, The Financial Post is informed.

Javelin stock, previously listed as an industrial, was removed from trading in mid-October. Reason given at that time by the Exchange was that the company had failed "to comply with a request for financial information deemed to be in the public interest." This "financial information" was an audited balance sheet, to have been dated Sept. 15, 1953, which the company failed to produce.

It was thought at the time that some other factors were involved in the board of management's decision to delist the stock but the Exchange would not elaborate. It had conducted an investigation into trading in Javelin stock last August, after the stock broke sharply from a high for the year of $10¾ to a low of $5¾, subsequently recovering part of the loss.

After the delisting, Javelin prepared a consolidated balance sheet and submitted this to the Exchange, along with the application for listing as a mining company. However, the bid was turned down because the firm "did not meet our standards," an Exchange official told The Post. He would not enlarge on this reason.

Javelin President John C. Doyle says copies of the company's recent balance sheet are not at present available and adds that listing applications have been submitted at other stock exchanges in Canada.

Javelin sprang into prominence earlier this year when it acquired control of Newfoundland & Labrador Corp.

L. St. Lawrence Net Up Slightly

MONTREAL (Staff) — Lower St. Lawrence Power Co.'s net profit for the first nine months of 1953 amounted to $192,587, up a slight 1.2% from $190,289 a year earlier. Earnings per common share rose to $1.95 ($1.92).

Sales of power increased by 9.2% to 38.9 million kwh. and gross revenues were 13.5% higher at $1,266,844 ($1,116,645). Operating and maintenance expenses showed a 28.5% increase at $578,662 ($450,008), while other charges showed little change.

At the end of September, the company had 26,193 meters in service, up 8.9% from a year earlier. Working capital totaled $157,020 ($599,488).

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Unless you are buying and selling real estate as a regular means of livelihood, the profit would be considered capital gain and not taxable, according to reliable opinion.

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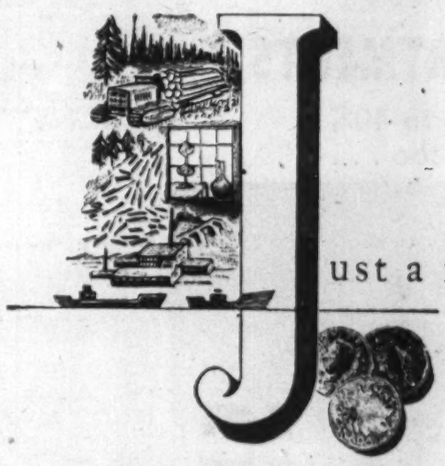

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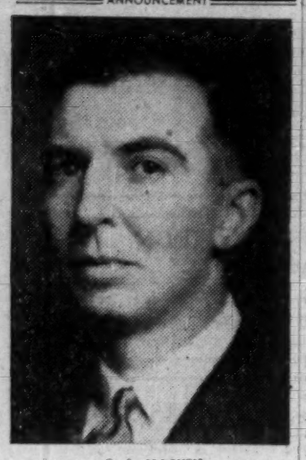

G. L. MACKEY

Mr. J. D. W. Gwynne, Sales Manager of Bauer & Black, announces the appointment of Mr. G. L. Mackey as district manager for the company in western Canada.

Mr. Mackey joined Bauer & Black following service as an officer in the Canadian Army. After carrying selling assignments in various cities in the West, Mr. Mackey was transferred to Toronto Office as a merchandising manager. He is married, has one small son and will make his headquarters in Vancouver.

Cities, Towns Ask Sales Tax Waiver

MONTREAL (Staff) — Representatives of Canadian municipal governments have called on the Federal Government to exempt them from the 10% sales tax on the purchase of their supplies and equipment and to eliminate the present 4% national average qualifying formula for assessment of Crown property.

These were the two main resolutions of a brief submitted to Cabinet by the Canadian Federation of Mayors and Municipalities in Ottawa last week, following the annual executive meeting of the Federation in Montreal. Other recommendations called for a Federal Provincial Conference, at which the municipalities would be represented, with the hope of formulating a broad national agreement about the role and functions of municipal governments and the means for providing them with revenue resources adequate for all their responsibilities.

In its brief, the Federation pointed to the serious nature of the municipal finance problem in Canada, urging that even a slight recession could have very adverse effects on the country's municipal finance structure. The submission claims that Canadian municipalities are operating within a rigid and inadequate financial framework.

"The success of federal policies in such fields as housing, civil defense, industrial, commercial, and resources development is dependent to a great extent on the financial ability of municipalities to expand and provide the necessary urban services which the effective implementation of these policies requires," the Federation says.

Referring to its proposals on elimination of the 10% sales tax on municipal purchases, the brief urges that this is basically a tax on government spending. It claims that to relieve the municipalities from this outlay would not mean a serious revenue loss for the Government, but would constitute a significant and immediate aid to the municipalities.

The municipal claim for payment of grants in lieu of taxes on the full municipal assessment of all federal Crown property is basically a claim for payment for services rendered, says the brief.

"Recently, the growth of federal Crown property holdings has been such, that in many municipalities it represents a considerable loss of taxable valuations. Despite this, the municipalities must render services to Crown property. In justice and equity, the cost of providing municipal services to Crown property should be a charge against the taxpayers of the nation, rather than against the citizens of the community in which the Crown property happens to be located," the submission urges.

At its annual executive conference, the Federation also adopted resolutions urging a national health plan and changes in Ottawa's matching civil defense grants system, which would allow municipalities to enter into direct agreements with the Federal Government, if their province has not participated in the present scheme.

Other important resolutions passed at the meeting included: a request that elected municipal officials be allowed one third of their "sessional indemnity allowance" as a tax-exempt expense; that the Board of Transport Commissioners increase the Government's contributions toward elimination of grade railway crossings; a uniform trans-Canada system of traffic signs and signals; that Victoria Day and the Queen's birthday be commemorated on the same day; and that the Federal Government increase its aid to education.

BCE Prepares For Biggest Expansion Year

From Our Own Correspondent

VANCOUVER—British Columbia Electric Co. will spend more money on capital works in 1954 than in any year since the company was organized in 1897. And there's more to come.

President A. E. Grauer has unveiled plans for next year which call for the spending of $33.2 millions on capital projects, part of a $155 million program for the next five years. The company has already spent $192.5 millions since 1946 to meet postwar growth.

The expansion to meet the greater demand has raised the depreciated value of fixed assets to 2½ times the figure it had reached at the end of 1946 after 50 years of operation—from $106.9 millions at Dec. 31, 1946 to an expected $245 millions by the end of this year.

To finance the 1954 projects, BCE will get more than $2 millions from sale of 150,000 shares of common stock in the parent firm, B. C. Power Corporation; is issuing $8 millions in preferred; has $7 millions left from previous financing; and will get an unstated amount from internal sources, such as depreciation. The rest will come, says Grauer, from further financing.

Most of the $192.5 millions spent so far has gone for developing power sites in the mountains ringing the Vancouver metropolitan and urban area, expanding distribution facilities, and switching Vancouver transit system from rails to rubber-tired trolley coaches.

In 1954, BCE will complete the fourth generating unit at Bridge River, raising output there to 248,000 hp. making it the biggest hydro producing plant in Western Canada.

First unit of the Seton Creek power site, 25 miles east of the Bridge River plant, will cost $1.7 million in 1954.

To carry the new power, BCE is to spend $7 millions on a 70-mile, 345,000-volt transmission line from the new Wahleach hydro plant in the Fraser Valley up Harrison Lake to Pemberton Meadows.

Bridge River's first unit of 62,000 hp. came in in 1949. Grauer now estimates that in about 10 years the power potential of the Bridge River area and its fringes will have been soaked up by increasing demand.

New Power Sources

New sources of power includes Cheakamus River 70 miles north of Vancouver where engineers are now surveying for a power development that would produce about 160,000 hp.

At Bute Inlet upcoast, a possible one million hp. could be produced.

Biggest of all, is the Fraser River cutting right through the BCE's 1,500-sq.-mile domain. For one dam, at Moran, estimates of the potential have run around 3 million hp.

In the near future, Grauer has something else to ponder: natural gas. In 1954, the company has scheduled $750,000 for work on its gas system in the Vancouver area and in Victoria. But that's not taking into account that by early next year Westcoast Transmission might get the okay to build a gas pipeline from the Peace River area to Vancouver and the U.S.

So the BCE has made an alternative plan: spend $1,133,320 in 1954 preparing for the switch from manufactured gas to natural gas, if the pipeline is coming.

In 1955, the switch would cost an extra $4,250,000; in the following three years, another $6 millions. Total cost for the first five years: $12,250,000.

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

Construction

SHERWIN-WILLIAMS CO. OF CANADA net profit of $1,195,095 for year ended Aug. 31, 1953, was 104% higher than previous fiscal year's net of $585,554.

"Total sales volume of the organization for the year was, by a substantial margin, the highest in the company's history," reports Chairman A. W. Steudel, "and this factor contributed to the generally improved operating results."

CONS. INCOME ACCOUNT

Years Ended Aug. 31:	1953	1952
Net income	$3,280,197	$2,046,666
Less: Deprec.	346,942	437,474
Bank int.	242,739	293,290
Inc. tax res.	1,495,421	730,348
Net profit	**1,195,095**	**585,554**
Less: Pref. divds.	242,200	242,200
Common divds.	280,900	280,900
Surplus for year	**671,995**	**62,454**
Earnings per Share and Dividend Record:		
Preferred	$34.50	$16.92
Paid	7.00	7.00
Ordinary	4.24	1.53
Paid	1.00+0.25	1.00+0.25

CONDENSED CONS. BALANCE SHEET

As at Aug. 31:	1953	1952
Cash	$36,636	$126,407
Accts., etc., rec. less res.	6,576,107	6,287,117
Inventories	8,057,550	8,864,471
Total curr. assets	**14,670,293**	**15,277,995**
Prep. exp.‡	153,735	248,898
Inv. & adv. subs.	240,308	252,412
Misc. assets	90,526	83,363
Fixed assets†	7,880,839	7,918,101
Total assets	**23,035,701**	**23,780,769**
Bank loan	424,696	2,800,000
Accts., tax., etc., pay.	5,174,043	4,163,048
Total curr. liab.	**5,598,739**	**6,963,048**
Due to affil. co.	123,431	46,185
Reserves	20,000	20,000
Capital stock	7,934,400	7,934,400
Surplus	9,339,131	8,797,136
†After depr. of	5,639,483	5,295,495
‡Incl. in curr. assets in co's report.		
Working capital	**9,071,455**	**8,314,947**

IMPERIAL VARNISH & COLOR CO. net profit of $201,793 for year ended Aug. 31, 1953, was 27.6% higher than previous fiscal year's net of $158,095.

Sales were the highest and profits the second highest in company history, reports President G. C. McEwen. Capital expenditures were over $150,000.

INCOME ACCOUNT

Years Ended Aug. 31:	1953	1952
Net oper. income	$495,116	$408,619
Less: Deprec. res.	88,323	70,524
Income tax	205,000	180,000
Net profit	**201,793**	**158,095**
Less: Pref. divds.	16,083	16,083
Com. divds.	67,012	80,415
Surplus for year	**118,698**	**61,597**
Earnings per Share and Dividend Record:		
Preferred	$18.82	$14.74
Paid	1.50	1.50
Common	2.46	2.65
Paid	1.15+0.10	1.00+0.50
Pref. & com. (partic.)	0.14	2.46

CONDENSED BALANCE SHEET

As at Aug. 31:	1953	1952
Cash	$196,453	$122,040
Accts. rec.	407,011	405,061
Investments	6,347	6,347
Inventories	887,706	868,699
Total curr. assets	**1,497,517**	**1,402,147**
Misc. assets	57,886	36,460
Fixed assets†	720,381	653,437
Total assets	**2,275,784**	**2,092,044**
Accts. & tax. pay.	402,661	340,499
Dividends pay.	20,103	17,423
Total curr. liab.	**422,964**	**357,922**
Invest. res.	150,000	150,000
Capital stock	337,400	337,400
Capital surplus*	229,367	229,367
Earned surplus	1,116,053	997,355
†After depr. of	913,700	828,185
*Arising through appraisal of fixed assets, June 30, 1951.		
Working capital	**1,074,553**	**1,044,225**

Bond Tenders

12 noon, Nov. 26, 1953, Government of Canada Treasury Bills—Payable Feb. 26, 1954 and Aug. 27, 1954, $40,000,000. Dated Nov. 27, 1953.

3 p.m. Dec. 3, 1953, City of Sydney, Nova Scotia—4¼%, 1-7 year debentures, and 4½%, 8-20 year debentures, $470,000. Dated Dec. 1, 1953.

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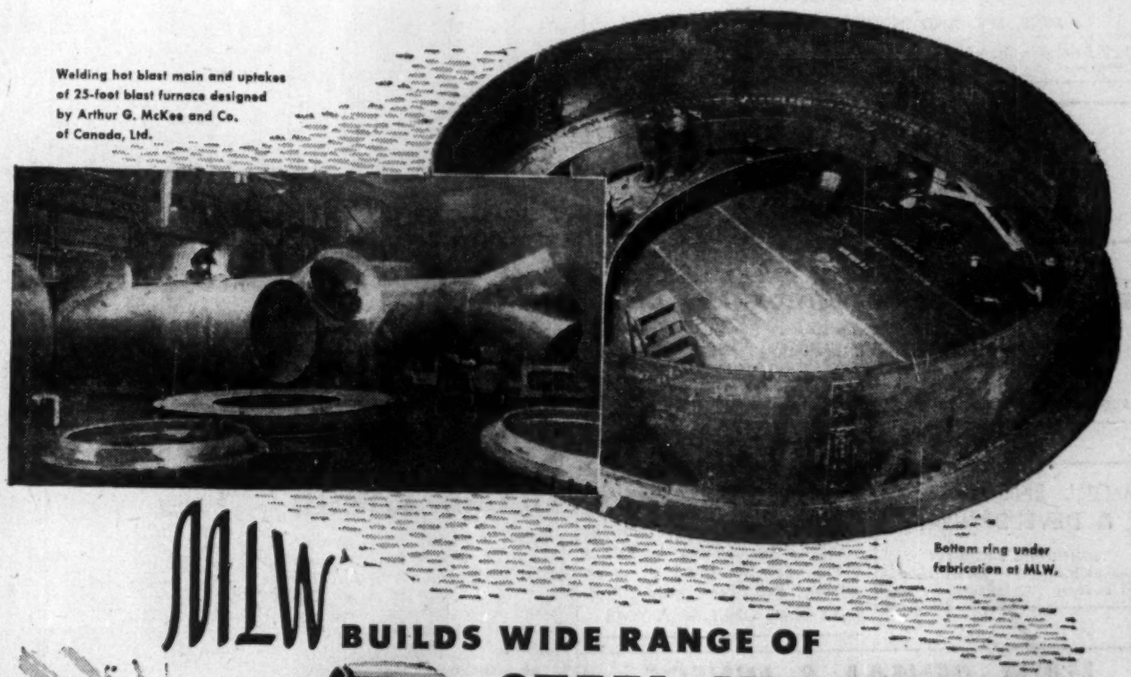

Bottom ring under fabrication at MLW.

MLW BUILDS WIDE RANGE OF STEEL INDUSTRY EQUIPMENT

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"Y" TRANSFER TABLE
"BX" TABLE
TWIN APRON CONVEYORS
TWIN COOLING COIL CONVEYORS
FURNACE PUSHOUT
MILL APPROACH TABLE
CHARGING CONVEYOR
SEPARATING SKIDS

Part of 10-section cooling bed designed by Morgan Construction Co. of Worcester, Mass., and built at MLW.

For further information, consult:-
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Dividends Feeling Pinch Of Doldrums In Textiles

MONTREAL (Staff) — Conditions in the textile industry continue poor. Short-time operations are widespread and imports are continuing heavy, while inventories in the industry are said to be somewhat high.

These conditions, and the price cuts and resulting lower profit margins which they have generated, have been reflected in dividend action taken recently by some of the larger producers. Dominion Textile Co. recently announced a cut in its common dividend for the current quarter to 10 cents a share from the previous 15 cents. It explained that for the first six months of its fiscal year ending next March 31 it had no earnings to apply against dividend requirements.

Even the 10 cents per share was not warranted by operating results, Dominion said. Only the fact that a large part of the company's 7,000 shareholders are people of moderate means influenced directors to declare it, the firm said, adding that decision as to the final common dividend payment for fiscal 1953-54 "will be determined by business conditions over the next three months."

Dominion earned only 40 cents per share in 1952-53, against 61 cents in 1951-52 and $1.94 in boom 1950-51.

In the man-made fibres group, Canadian Celanese Ltd. also came up with some bad news. It cut the fourth quarter dividend to 30 cents per share from the previous 60 cents, bringing total payments for 1953 to $2.10 vs. $2.40 in 1952. The cut, it was stated, does not necessarily indicate future declarations; these will be made with consideration given to conditions at the time directors meet for dividend action.

Canadian Celanese earned $2.41 per share last year and net profit will be down for 1953.

Wabasso Cotton Co. also joined the parade, although its cut was not as great as the others. Reduction was from 25 cents per share, paid quarterly since January, 1949, to 20 cents per share. Wabasso showed a net profit of $1.02 per share in the year ended May 2, 1953, against $1.24 the previous year.

Meanwhile, Canadian Cottons Ltd., which failed to vote its common share dividend normally paid Oct. 1, advised shareholders of some bad news earnings-wise. For the first six months of its current fiscal year, the company said, sales were off 30% from the comparable period of 1952 and a loss of $904,104 was incurred.

President J. Irving Roy, made a strong plea for maximum possible efficiency in the industry, co-operation of organized labor in reducing production costs, and protection against dumping. He said that the drop in sales and earnings is directly due to the conditions which have permitted American cotton mills to increase their share of the Canadian market to 45%.

Canadian Cottons, in the year ended March 31, 1953, showed a net profit of only four cents per common share, against $2.52 in 1951-52.

Saskatchewan Insurance Co. Licensed In State of Montana

From Our Own Correspondent

REGINA — The Saskatchewan Guarantee & Fidelity Co., a joint stock company, wholly owned by the Saskatchewan Government's Finance Office and its directors has been licensed by the State of Montana to operate there.

This is the first time the company has been licensed to operate outside Saskatchewan. About three years ago, applications by the company for license to operate in four other Canadian provinces—Ontario, Alberta, Manitoba and British Columbia were rejected on the ground that a company, owned and operated by one province, should not carry on business in another province.

The Saskatchewan company will start its Montana operations soon in the fire, inland transportation and cargo insurance fields, with fire insurance the major line. Provincial Treasurer C. M. Fines said the company had been certified as meeting the "rigid requirements" of the state . . . "It is a sound business principle that the broader the risk spread, the lower the premium rate."

The Eastern Montana counties have an economy similar to that of Saskatchewan and the company's underwriters are well qualified to underwrite such business . . . "investigation showed a need for a farm fire insurance business in Montana," said H. L. Hammond insurance company manager.

The Saskatchewan Guarantee & Fidelity Co., incorporated in 1908, operated for 40 years writing bond guarantee insurance. In 1949 the Provincial Government took it over after exploring the possibilities of securing a joint stock company with a capital structure that would meet the requirements for a license in other provinces. The Saskatchewan Government Finance Office, a holding company for the Crown corporations now owns 95% of Fidelity's stock, the company's directors the other 5%.

It is licensed in Saskatchewan to write all classes of insurance except life and hail. The Government has extended Fidelity's reinsurance business to cover operations in the United States, Britain, Iceland, Sweden, Belgium, Ceylon, Chile, Israel, France and Switzerland.

Fredericton Moves Toward 1,400 Unit Army Housing

From Our Own Correspondent

FREDERICTON — Establishment of 1,400 housing units for the Army's Camp Gagetown married personnel within the city limits of the provincial capital has moved a step closer to materialization through adoption of an eight-point basis for negotiation with the Federal Government by the city council.

Heading up the city's proposal was a suggestion that the Federal Government finance all capital expenditures for services within the city limits. These services, to be installed under city supervision, become the property of the city and be administered by it. But the Federal Government is asked to guarantee payment of all taxes and water and sewerage rates at full city tax rates. Provincial grants under the Federal-Provincial agreement would be adjusted annually on the basis of DBS population figures rather than on the federal decennial census.

Also suggested was that 80 houses built under a CMHC-city postwar project assigned to army personnel be turned over to civilian occupancy within one year, or on completion of 500 of the proposed 1,400 housing units.

Survey Winnipeg For Shop Centre

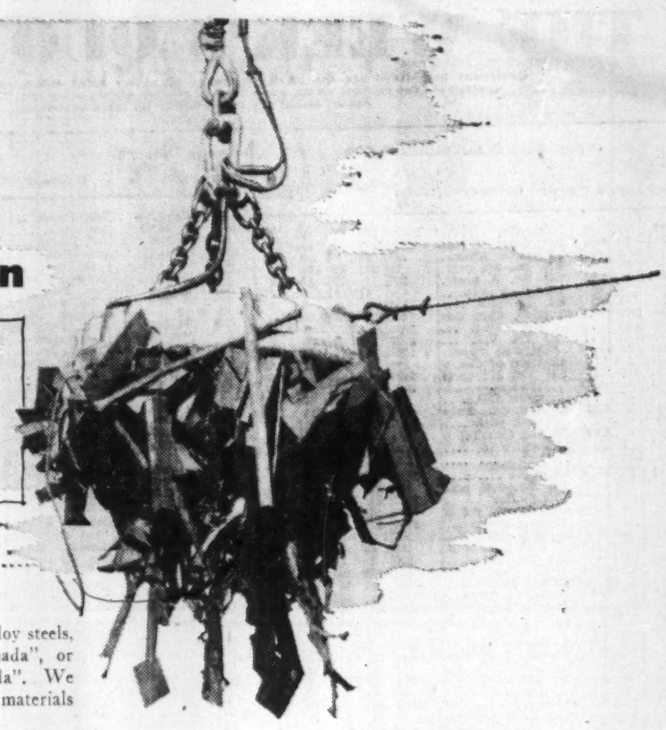
From Our Own Correspondent

WINNIPEG — A large shopping centre development in southwest Winnipeg will probably be started next year, Arle Realty Ltd. announces.

However, plans on the size of the project, originally estimated to cost $10 millions, have not yet been finalized.

A Chicago research company has been employed to make an economic survey and population analysis of the South Winnipeg area. Its findings will determine the size of the centre. The survey will be started within a few days and should be completed before the end of the year.

The Arle company hopes to have the centre completed by next fall. Three chain stores have already indicated interest. Present plans call for a parking space of at least five times the size of the centre itself.



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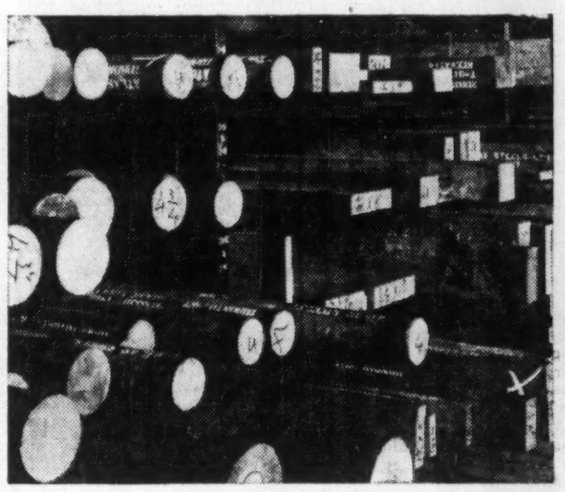

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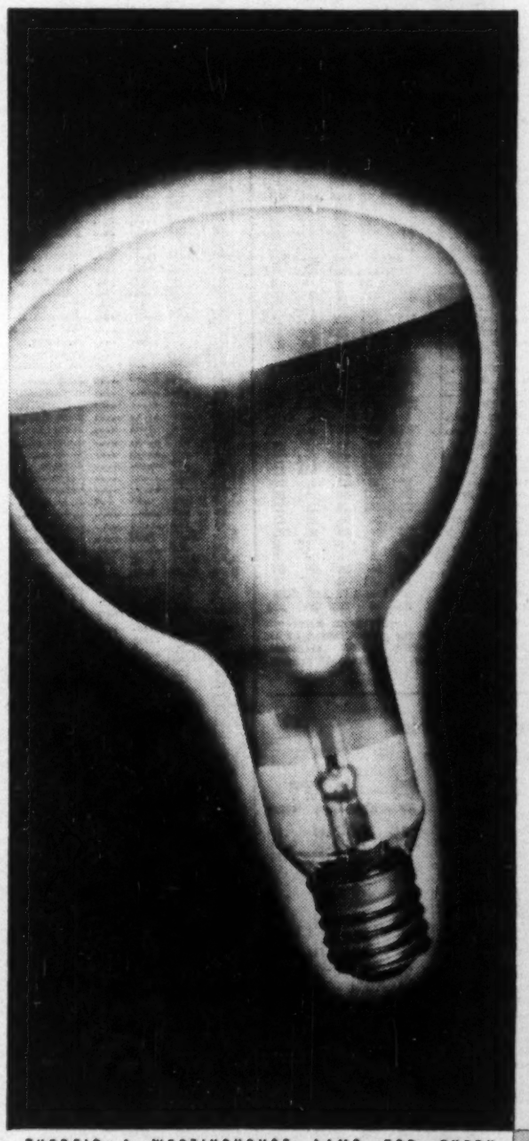

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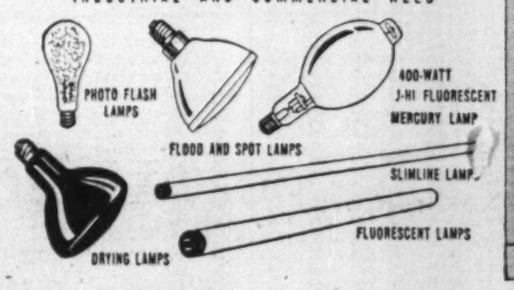

CANADIAN WESTINGHOUSE COMPANY LIMITED LAMP DIVISION HAMILTON, ONTARIO

Please send me more information about the new Westinghouse High Bay Lamp.

NAME _____

COMPANY _____

ADDRESS _____

CITY _____ PROV. _____

THE WEEK'S QUOTATIONS

Montreal and Toronto Winnipeg, Calgary and Vancouver

Quotations here listed are the official exchange prices for listed stocks including curb market quotations. For unlisted stocks, quotations by unlisted dealers are given. The Financial Post cannot accept any responsibility for these quotations.

WEEK ENDING NOVEMBER 27, 1953

Range 1953 High	Low	Div. Rate $	Yld Nov 27 %	Company	Sales	Last Nov. 27	Week end. Nov. 27, 1953 H	L	Close
17	12¼	♦.30	...	Abitibi	20720	17	17	16½	16¾
26½	25	1.50	5.8	Do. $1.50 pref	2929	♦25¾	26	25¼	26
7¼	6	.30	8.0	Acadia Atlan.	310	6¼	6¼	6	6¼
102	96½	5.00	5.1	Do. 5% pref.	10	98½	99	99	99
18½	16¼	1.20	7.1	Do. A pref.	205	17	17¼	17	17
10	7	.40	4.7	Agnew Surp.	450	8¼	8¼	8½	8½
10	8	.55	6.1	Do. pref.	115	9	9	9	9
3.85	3.00		...	Alta. Con. Gas	800	3.30	3.50	3.40	3.50
2.40	1.50		...	Alta. Dist.	2650	1.65	2.20	1.85	2.20
2.50	1.45		...	Do. V.T.	3300	1.95	2.00	1.80	2.00
49½	30		...	Algoma Steel	1063	37	37	36	37
24½	21¼	1.00	4.3	Alum of Can p	379	23	23¾	23½	23½
105¼	100	5.25	5.0	Do. 5¼% pref	166	104	104½	104	104
53¼	41½	♦2.00	...	Aluminum	3952	46	47½	45¾	47½
48¼	48¼		...	Amer. Cyan. A	25	...	48¼	48¼	48¼
25	20	2.00	8.7	Ang. Can. Pulp	596	24	24	23	23
49	48¼		...	Do. pref.	1029	48½	48¾	48¼	49
42	37	2.25	5.6	Ang Can Tel p	150	39¼	40¼	40¼	40¼
9½	7	.60	7.3	Ang. Nfld.	890	8¼	8¼	8	8¼
1.55	1.00		...	Arcan	250	1.00	1.20	1.00	1.20
12½	11¼	.60	5.0	Argus	1010	11¾	12	11¾	12
85	78¼	4.50	5.5	Do. 4½% pref	110	82	82	80½	82
27¼	23¾	1.00	4.1	Asbestos	1763	25	25½	24¼	24¼
19	15	1.00	6.3	Ashdown Hd B	380	16¼	16	16	16
23½	12¼	1.00	7.9	Atlas Steels	2980	12¾	13	12¼	12¾
9¼	7¼	.60	♦+.10	Auto Electric	240	8¼	8	8	8
6¼	3¾	.45	...	Auto Fabric A	150	4¼	6	6	6
2¼	2		...	Do. (B)	200	2	2	2	2
26½	23	1.00	+.20	Bk. Can. Nat.	372	26¼	26¼	26¼	26¼
38	33	1.20	+.20	Bk. Montreal	1963	36¼	36¾	35¼	35¾
43¾	38	1.60	+.20	Bk. N. Scotia	1093	43	43¼	41	43
43	38	1.40	+.20	Bk. Toronto	100	42	42¼	41	42¼
45	35¾	3.00	7.4	Bathurst Pr. A	906	40	41	40	40½
22¼	14½	♦1.00	...	Do. (B)	9	16¼	16	16	16
8	6	.40	+.15	Beatty Bros.	245	7	7	6¾	7
40	34½	2.00	5.1	Bell Telephone	15484	39¼	39½	38¾	39
15¾	13½	1.00	7.4	Brant Cord A.	120	13¾	13¾	13¼	13¾
11¼	8¼	♦.03	+.stk	Brazilian Tr.	63952	9	9¾	8¼	8¼
8	6¼		...	Bright, T. G.	140	8	8	7¼	7½
21½	16	1.70	3.5	Brit. Amer. Oil	13934	19¼	20¼	19¼	20¼
81	76	4.00	5.1	B.C. Elec. 4% p	30	79	79	78½	78¾
95¾	87	4.75	5.3	Do. 4½% pref	95	92	93	90	90
50¼	46¼	2.50	5.2	Do. 5% pref.	905	49¼	49¼	48¼	48¼
8.87½	4.55	♦.40	7.4	B.C. Forest	5305	5¼	5¼	5¼	5¼
15¼	10	.75	5.6	B.C. Packers A	100	12¼	13¼	13¼	13¼
92	86	♦	...	Do. (B)	300	84	84	84	84
181	171	♦.25	...	B.C. Power	6524	171	181	171	174
37¼	32¼	2.00	5.6	B.C. Tele.	580	36	36¼	35¾	36
.30	.58		...	B.C. Turf	1175	.75	.77	.73	.75
12¼	7		...	Brown Co.	3585	8¼	8	8	8¼
93	85	♦5.00	...	Do. 1st pref.	420	88	88	87½	88
49¾	45¼	♦3.00	...	Do. 2nd pref	205	49¾	49¼	49¼	49¼
19	11	♦	...	Brucks Mills A.	50	11½	11	11	11
6¾	4	♦	...	Do. (B)	200	5	5	5	5
40	34	1.80	5.1	Building Prod.	370	35	35¼	34¾	35¼
22	19	1.00	+.50	Burlington St'l	125	21	20	19½	19½
51	39½	3.00	5.8	Burns & Co. A	50	51	52	52	52
40	29	2.00	5.0	Do. (B)	352	40	40	40	40
8¼	6¼	.45	5.0	Burrard DD A	325	7½	8¼	6¾	8¼
101	100		...	Calgary Pr. p.	270	..	101	100	100
51	46	2.50	5.2	Can. Bread p B	22	48	48¼	48¼	48¼
87	72	♦3.00		Canada Cement	712	80½	82¼	80½	82
29½	26¼	1.30	4.5	Do. pref.	930	28¼	28¼	28¼	28¼
7¼	♦		...	Can. Cr. Steel	20	4¼	4¼	♦	4¼
18¼	15½	1.00	5.9	C. & D. Sugar	643	17	17	16¼	16¾
17½	13	.60	+.48	Can. Foils A.	50	14	13	13	13
23	19	1.20	6.2	Can. Iron	1455	19¼	19½	19¼	19½
9	7	.50	+.25	Can. Machine	200	8¼	9	9	9
54	49	2.00	+1.00	Can. Malting	10	52	52	52	52
12¼	10	.60	5.5	Can. Nor. Pr.	120	11¼	11	10¾	11
39	33½	1.50	4.0	Can. Packers A	200	36¼	37½	36¼	37½
33¾	28¼	1.50	4.7	Do. (B)	100	32	32¼	32¼	32¼
58	49	2.40	4.2	Can. Perman.	83	57½	57¾	56¾	57¼
102½	98½	5.00	5.0	C. Safeway 1 p	20	101	101	101	101
102¼	93½	5.00	5.0	Do. 2nd pref	45	101	101	101	101
83	70	1.00	1.3	Can. Steamsh's	223	77½	79	77	77
51	45	2.50	5.1	Do. pref.	45	50	49½	49	49
15	12¼	.80	+.20	Can. Vinegars	20	14½	15	14½	14½
6¾	3.00	♦	4.4	W. Cable B	115	6¾	6¾	6¾	6¾
14	11	.50	4.0	Can. Bakeries	5	12	12¼	12¼	12¼
32¼	28	1.20	3.8	Can. Bk. Com.	2780	31¼	31¾	31	31½
21¼	17	1.25	6.0	Can. Breweries	6317	21¼	21¾	21	21
40	34½	1.25	+1.25	Can. Bronze	150	37½	39¼	36¾	36¾
35¾	23	2.00	7.0	Can. Canners	935	28¼	28¾	28¼	28½
19	14½	.80	4.6	Can. Car & F'y	605	17	17	17	17¼
20¾	16½	1.00	5.5	Do. pref. A	1273	18¼	18¼	18	18¼
48	23¼	♦2.10	...	Can. Celanese	4191	23	22¾	21¾	22
34½	30	1.75	5.8	Do. pref.	1075	30¼	30¼	30	30
14	8		...	Can. Chem.	600	8¼	8¼	8¼	8¼
4.50	2.20	1.07½	...	Can. Colliers	13965	3.50	4.50	3.50	4.45
48	25¼	♦	...	Can. Cottons	630	27	27	27	27
55¾	45	1.70	3.1	Can. Dredge	320	55	55¼	54	54½
23	21¼	1.00	4.4	Can. Fairb.	50	24	23¼	22¾	22¾
4	2¼		...	Can. Food Prod	100	3¼	3¼	3¼	3¼
10	5	♦	...	Do. (A)	160	7	7	7	7
62	45	4.50	8.2	Do. pref.	5	54	55	55	55
600	410	8.00	+4.00	C. Gen. Elec.	34	460	600	480	600
25¾	21	1.10	+.15	Can. G. Inv.	440	23¼	24	23¼	24
42	31¼	1.00	...	Can. Indust.	830	36¾	38	37	37¼
170	146	7.00	4.5	Do. pref.	5	160	156	156	156
11¾	9	1.75	...	Can. Int. L. Tr.	60	10¼	10	10	10
86	80½	5.00	6.2	Do. pref.	10	82	80½	80½	80½
15¼	12	♦	...	Can. Locomo.	200	17½	16	16	16
34	22½	.03	...	Can. Marconi	400	4.25	4.20	4.00	4.00
15¼	12	.50	...	Can. Oil	885	12¼	12¼	12	12¼
101	97	5.00	5.0	Do. 5% pref.	115	100½	100½	100	100
151	140	8.00	3.3	Do. 8% pref.	65	150	152	150	152
2.20	1.30		...	Do. Wts.	520	1.65	1.75	1.75	1.75
33¾	21¾	♦1.50	...	Can. Pacific	13713	21½	22¼	21¾	22¼
8¼	6¾	.20	...	Can. Salt	50	7¾	8	8	8
45	27	.60	+.10	Can. Tire	65	42	43	43	43
100½	93	5.00	5.0	C. Utilities p.	25	99½	100	99¾	100
19	14	1.00	5.6	Can. Vickers	3900	17¼	18	17¼	18
11¾	8¼	.50	4.8	C. W. Lumber	1725	11¼	11¼	10¼	10½
72	55	2.00	2.9	C. Westinghouse	200	65	70	70	70
35	27	1.50	4.4	C. Wire Box A	50	33	34	33	34
24½	19	♦1.10	...	Capital Estates	430	24	24¼	24	24½
32¾	29¼	1.00	+.05	Chart. Trust	25	30	32¾	32¼	32¾
6¼	4½	.30	11.1	Chatco Steel, p	40	4½	4¾	4¼	4¼
1.95	1.04	.05	...	Chem Research	202945	1.53	1.72	1.53	1.65
73	59	♦6.00	...	Chrysler Corp.	30	68	60	59	59
24	20	.20	4.0	Cinzano A	10	.40	.20	.20	.20
3.95	3.15	.24	+.03	Coast Brew.	1000	3.75	3.75	3.70	3.75
16¼	13	1.00	9.5	Cockshutt Farm	1410	11¼	11¼	10¼	10½
9	3½	.30	...	Comb. Enter.	350	6¼	6¼	6	6
4.20	2.20	♦	...	Comm Alcohol	11794	2.85	4.20	2.85	3.80
5¾	5		...	Do. pref.	1255	5	5¼	5	5
8	7	.55	...	Conduits Nat.	25	7	7	7	7
9½	7	1.50	...	Cons. Bakeries	550	8¼	7½	7¼	7½
1.15	.80		...	Con Div Sec A	56	80	80	80	80
27	24	1.50	6.3	Do. pref.	17	24	24	24	24
42¼	34½	1.50	+.75	Cons. Paper	10635	41	42¼	40¾	41½
34½	22	1.80	+.55	Cons. Smelters	8626	23¾	24	23¼	24
15¼	7	♦	...	Cons. Textiles	15	8¼	7	7	7
16¼	14	.80	4.8	Consumers Gas	3050	16¼	16¼	16	16¼
25	21¼	1.50	6.0	Consum. Glass	125	25	25	25	25
10	8	.85	...	Corbys A	2757	9¼	10	9¼	9¾
10¾	8	.55	...	Do. (B)	100	9¼	9¼	9¼	9¼
24	27	♦1.80	...	Crown Zeller	5817	33¾	33¾	33	33½
76	60	4.00	6.3	Crow's N. Coal	300	60	62	62	62
16¼	12½	1.50	9.8	Davis Leath. A	25	13¾	15¼	15	15¾
3	2	♦	...	Do. (B)	50	5	5	5	5
29¾	24½	1.20	+.50	Distill-Seag.	13690	28¾	28¾	27½	28¼
32	27½	1.20	+.10	Dom. Bank	1257	31	32	31	32
85	69	1.60	+1.50	Dom. Bridge	605	72	72	70	70¾
13	8	♦	...	Dom. Coal, pf.	220	9	9	9	9
13¾	11½	.80	5.8	Dom. Corset	100	13¼	13¼	13¼	13½
5¼	4	♦	...	Dom. Dairies	45	4.00	4.65	4.65	4.65
15	10	♦	...	Do. pref.	15	14	14	14	14
7¾	4½	.20	...	Dom. Electric	100	4¾	4¾	4½	4½
28¾	19	.60	+.40	Dom. Engineer	25	22	22	22	22
15¼	12¾	.60	4.0	Dom. Foundry	3853	14¾	15	14¾	14¾
100	92½	4.30	4.3	Do. 4½% pref	110	98½	99	98¼	99
70	57	1.60	+1.25	Dom. Glass	145	67	69	67	67
34¾	30	1.40	4.5	Do. pref.	125	31	31	31	31
15	9		...	Dom. Magnes.	2315	12¼	13	12¼	12½
35¼	24	1.60	+.60	Dom. Stores	135	29	29	28	28¼
47¾	43	2.50	5.4	D. Scot. Inv. p	40	46	46	46	46
16½	10	1.00	8.9	Dom. St. & C.	3935	11¼	11¾	11¼	11¼
19¼	14	.60	3.2	Dom. Stores	775	19	19	18¼	18¾
9	7½	.40	5.0	Dom. Tar & Ch	8334	8	8¼	7¾	8
20¾	19¼	1.00	4.8	Do. pref.	185	20¼	20¾	20¼	20¾
11	7	♦.10	...	Dom. Textile	2530	7¼	7¼	7	7¼
8¼	7¼	1.20	7.5	Donohue Bros.	675	15¼	16	15½	16
18¾	13	♦	...	Dow Brew.	2169	17¼	18	18	18¼
81	60	♦	...	East Koot Pr p	5	65¼	65	65	65
8¾	4½	♦	...	East Steel	505	5¼	5¾	5¼	5¼
6¼	4	.20	+.35	Easy Washing	225	6¼	6¼	6¼	6¼
27½	24	1.00	+.50	Economic Inv.	75	24¾	24	24	24
23½	20¼	1.00	4.3	Eddy Papers	315	22	22	22	22
12¾	9¼	♦1.00	...	Electrolux	50	9¾	9¾	9¾	9¾
25	20		...	Elora Indust.	163	20	20	20	20
21¼	18	1.40	+1.20	Fam. Players	2550	20	21¼	20	20¾
25	19½	♦1.50	...	Fanny Farm	130	21¼	21¼	24	21¼
21	14		...	Federal Grain	635	18¾	20	18¾	20
27	24	1.40	5.3	Do. pref.	100	26	26¼	26¼	26¼
12	10	.60	6.0	Fittings A	70	10¼	10¼	10	10
3.25	.75		...	Fleet Mfg.	9840	1.00	1.15	.95	1.05
68	58½	2.00	+1.00	Ford Motor A	1982	62	63	61½	62½
1.00	.40		...	For. Pr. Secs.	279	.40	.65	.60	.65
33	23		...	Do. pref.	126	27	25	25	25
14½	11	.60	4.3	Foundation Co.	320	13¼	13¼	13¼	13¾
18	13¾	1.00	6.5	Fraser Cos.	1625	13¼	15¼	13¼	13¾
103	95	♦4.75	5.0	Do. pref.	10	102	95	95	95
86	80¼	4.50	5.3	Freiman. pref.	50	85	86	85	85
22½	20¾	1.20	5.7	Gatineau Pwr.	8690	20¾	21¼	20¾	21¼
107	100	5.00	4.9	Do. pref. 5%	30	102½	104	102½	103
111	104½	5.50	5.1	Do. 5½%	33	109½	109	107	107
20¾	20¼		...	Do Exchange	4460	..	20¾	20¼	20¾
6.00	4.90	.20	3.6	Gen. Bakeries	950	5¼	5¼	5¼	5¼
45¼	31	♦3.00	...	Gen. Dynamics	890	33	33	32¼	32¾
68¾	53¼	♦4.00	...	Gen. Motors	232	57	57¼	57	57½
46	41	♦1.40	...	Gen Products A	135	46¼	48	46	46
17¾	15	1.00	6.1	Gen. St. Wares	325	16¼	16¾	16	16¼
104	98½	5.00	5.1	Do. pref.	10	101	99	99	99
100	65	4.00	4.0	Goodyear Tires	15	100	99	99	99
49	45	2.00	4.1	Do. pref.	229	48¼	48¾	48	48¼
21	15	1.60	8.0	G. Lakes Paper	5942	20	20	19¾	20
51	45¼	2.50	4.9	Do. A pref.	935	49¾	51	51	51
10½	6	.50	7.4	G. West Coal A	100	6¼	6¾	6¾	6¾
10¼	6	♦	...	Do. (B)	100	6¼	6	6	6
39	32	2.00	5.8	Gypsum, Lime	835	35	35	34¼	34½
18¾	14	1.00	5.9	Hahn Brass	10	16	17	17	17
19¾	13¾	.50	+1.00	Ham. Bridge	237	18¾	18¾	18	18
23	17	1.40	8.2	Ham. Cot.	45	17	17¼	17	17¼
98	97	5.00	5.1	Do. 5% pref.	10	98	98	98	98
9	7	♦.20	...	Harding Carpet	4310	8¾	9¼	8¾	9
35¼	33	11.50	...	Hayes Steel	25	33¾	34	34	34
30	24¼	1.40	5.0	Hinde & Dauch	175	27	28¼	28¼	28¼
7¼	2¼	♦.20	♦	Holden Mfg. B	100	7	2¼	2¼	2¼
20½	17	1.00	5.0	H. Smith Paper	2128	19¾	20¼	19¾	20
47½	42	2.00	4.4	Do. pref.	125	43	45	45	45
13¾	12	.50	3.8	Hughes-O A	100	12¼	13¼	13¼	13¼
125	112	6¾	1.0	Huron & E Mt	25	123	125	123	123
5	3	♦.30	...	Hydro Electric	1000	4.25	4.45	4.45	4.45
36½	31¼	1.20	+1.30	Imperial Bank	85	35¾	36	35¼	35¼
26¼	26	.80	2.9	Imperial Oil	14160	27¾	27¾	26¾	27¼
11¾	8	.40	+1.05	Imperial Tob.	15035	10¼	10¾	10¼	10¾
24¾	23	1.00	4.1	Do. 4% pref.	244	24¼	24¼	24	24¼
6¼	5½	6%	4.9	Do. 6% pref.	50	6	6¼	6	6
22	17	♦1.20	...	Imp. Varnish	100	21¼	22	22	22
36¾	28	2.50	7.5	Indust. Accept.	3321	34	33	33	33¾
98	95	5.00	5.1	Do. 5% $100p	53	98	98	97	98
36¾	29½	1.50	4.5	Do. 5%p $1.50	1260	33¾	33¾	33¾	33½
39	36	2.00	5.3	Do. 5% $40	1130	38¼	38¾	38	38
12¼	9¼	♦.40	...	Inglis, John	100	10	9¾	9¾	9¾
6¼	4½	♦.10	...	Inter. Bronze	250	5¾	5¾	5¾	5¾
24¾	26½	1.60	4.8	Int. Metal Ind.	460	33¾	33¾	33	33¼
46¼	33¼	♦2.00	+1.35	Inter. Nickel	26039	36¼	38¼	35¼	35¾
131	127	♦7.00	...	Do. pref	225	128	128	128	128
8¼	8		...	Inter. Paints	110	8¼	8¼	8¼	8¼

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57	47¼	♦3.00	...	Int. Paper	4898	50¼	52¼	49¾	52
30	18	♦1.00	...	Int. Pete.	1640	19¼	19½	19	19
65	60	2.40	3.0	Int. Power	35	81	81	80½	80½
29½	24	♦1.40	...	Int. Util.	1071	27¾	28	27¼	27¾
32½	28	♦1.40	...	Do. pref.	60	28	28	28	28
29¾	17¾	.30	1.5	Interp. Pipe	6437	19¾	20¼	19¾	20¼
28	24½	1.50	5.9	Inv. Foundat.	25	25¼	25¼	23¼	23¼
52½	50	3.00	5.8	Do. pref.	37	52	52	52	52
10	9¼		...	Johnson Term.	130	9¼	9¼	9¼	9¼
12½	10¼	.80	5.3	Jour. Pub. Ot.	48	12¼	12¼	12¼	12¼
23	15	♦1.25	+.87½	Kelvinator	150	23	23	22¼	22¼
18½	17	1.00	5.9	Labatt, John	3480	17¼	17½	17	17
33¼	28½	1.60	5.3	Lake of Woods	606	28¼	29¼	29	29
144	138	7.00	4.9	Do. pref.	40	140	142	140	142
10	7	♦	...	Lang, J. A.	210	9	9¼	8½	9¼
1.00	.50		...	Langley's	20	.55	.75	.60	.60
14½	13	.80	5.7	Laura Secord	100	13¾	14	14	14
10½	8¼	.50	5.0	Laur. Accept A	200	10	10¼	9	10
11¼	7½	♦.35	+.15	Do. (B)	21	9½	9½	9½	9½
20¼	17	1.20	7.1	Do. pref.	200	17	17¼	17	17
1.50	1.50		...	Lon. C. Invest.	100	3.40	3.40	3.40	3.40
16	13¼	1.00	6.9	Lowneys	75	14¼	14¼	14¼	14¼
38	30		...	Mackin Steel	2	37	37	37	37
58½	47½	2.00	+1.85	Maclaren Pr.	145	55	54	55	55
29½	15¾	.50	+1.30	MacM & Blo B	2965	19	19¾	18¼	18¼
15½	12	1.00	6.7	M. L. Gardens	4	15¼	15	15	15
9	6½	.50	...	Maple Leaf M.	473	7¼	7¼	7¼	7¼
90	80	5.00	5.6	Do. pref.	20	89	89	89	89
10½	7½	.60	7.6	Massey-Harris	6875	8	8	7¾	7¾
13	11¼		...	McCabe A	40	13	12½	12	12½
31	27	.80	3.8	McColl Fron.	1826	25	26	25	26
35	90	90	86	90					
5	4		...	Melchers	5	5	4	4	4
96	♦84	4.00	4.4	De. pref.	35	90	90	86	90
5	4		...	Melchers	5	4	4	4	4
2.50	♦.90	♦	...	Mercury Mills	370	.95	1.10	1.10	1.10
93	84	♦1.00	♦	Mersey Paper	10	84	88½	88½	88½
5½	2½		...	Mexican Lt. c.	1821	5¾	5¾	5¼	5¼
7	2½		...	Mexican Tram.	125	6¼	6¼	6¼	6¼
1.35	1.18		...	Midwest	9600	1.35	1.30	1.30	1.30
29¼	24	♦2.00	...	Minn. & Ont P	4135	29¼	29¼	28½	29¼
44	35	1.00	+1.50	Mitchell, Robt	30	43	44	42	44
16	14	1.00	6.3	Mod Contain A	25	15¾	16	16	16
15¾	13	.80	5.5	Montreal Loco.	2430	14½	15	14¼	14¼
47½	43	1.60	3.4	Mont. Tele.	96	47	47	47	47
27¼	22½	♦1.00	+.20	Moore Corp.	375	25	26¼	25	25¾
24¾	23	1.00	4.0	Nat. Drug	140	24¼	24¼	24¼	24¼
13¾	10	.80	+1.20	Mt. Royal Rice	65	10	10¼	10	10¼
10¾	7½	.50	+1.20	Nat. Drug	50	9¼	9¼	9¼	9¼
13¾	11	.60	5.2	Do. pref.	300	11¼	12½	11¼	11½
14	10¼	.60	+1.40	Nat. Grocers	580	11	12	11	12
27¼	23½	1.50	5.5	Do. pref.	225	27¼	27¼	27¼	27¼
7¾	6¼	.60	9.2	Nat. Hosiery B	305	7¼	7¼	7	7¼
27¼	24¼	1.50	+1.50	Nat. Steel Car	1205	27	27¼	26	27¼
23	18¼	♦1.10	...	Nfld. Lt. & Pr.	140	22	22	22	22
1.25	1.00		...	Do. Rts.	1001	1.10	1.10	1.00	1.10
36	30	2.00	+1.50	Niag. W. Weav	100	32	32	31½	31½
9	6		...

Government Bonds

December 1, 1953

(Supplied by Investment Dealers' Assoc. of Canada)

%	Due	Bid	Ask
Victory Loans:			
3	Mar. 1954 ...	100‡	101‡
3	Nov. 1956 ...	99‡	100
3	May 1957 ...	98	98‡
3	Jan. 1959 ...	96‡	97‡
3	June 1960 ...	96	96‡
3	Feb. 1962 ...	95	95‡
3	Oct. 1963 ...	94	94‡
3	Sept. 1966 ...	93‡	94‡
Dom. of Can. Bonds:			
3	June 1958 ...	97‡	97‡
3½	June 1966 ...	96‡	97‡
3	Perpetual ...	†86	87
2½	June 1968	89‡	90‡
3½	Jan. 1975/78.	99‡	100‡
Can. Nat. W. Ind. S.S.:			
5	Mar. 1935 ..	•101	102‡
Grand Trunk Pacific Rly.:			
3	Jan. 1962 ...	•98	99
4	Jan. 1962 ..	•103‡	105‡
Dom. Guaranteed Bonds			
Can. Nat. Railways:			
3	Jan. 1959 ...	96‡	98
4½	Feb. 1956 ..	•101‡	102‡
3	Feb. 1954 ...	100	100‡
4½	June 1955 ..	•101‡	102‡
2½	Jan. 1967 ...	88‡	90‡
2½	Sept. 1969 ...	88‡	90‡
3	Jan. 1966 ...	92‡	94
4½	July 1957 ...	103	104

(Supplied by Investment Dealers' Assoc. of Canada)

%	Due	Bid	Ask
Prov. Govt. Bonds			
Alberta:			
2½	Mar. 1970 ...	•91‡	93‡
British Columbia:			
4½	Jan. 1969 ..	♦106‡	108‡
3	Dec. 1960	93‡	95‡
3	June 1964	90‡	92‡
5	Sept./1959 ...	106	107‡
B. C. Power Comm.:			
3	Oct. 1967 ...	87‡	89‡
Manitoba:			
4	Dec. 1957 ..	♦101	103
5	Dec. 1959 ..	♦106‡	108‡
5½	July 1958 ...	104	106
3	Oct. 1965 ...	89	91
4½	Dec. 1956 ..	♦102‡	103‡
New Brunswick:			
4½	Apr. 1961 ..	♦101‡	104
2½	June 1966 ...	83‡	85‡
3½	May 1957 ...	96‡	98
3½	Sept. 1965 ...	91‡	92‡
Nova Scotia:			
4	Nov. 1960 ..	♦103‡	104‡
5	Mar. 1960 ..	♦104‡	106‡
3½	June 1963/65.	92‡	93‡
3	June 1956/58.	95‡	96‡
2½	June 1965/68.	83‡	85‡
Ontario:			
2½	Nov. 1965/69.	84	85‡
4	June 1962 ..	♦101‡	103‡
4½	Jan. 1963 ..	♦105	107
2½	July 1967/76.	81	84‡
3	Nov. 1963/65.	90	91‡
5	May 1959 ..	•106	107‡
Ont. Hydro Commission:			
4	Aug. 1957 ..	♦100‡	102
2½	Oct. 1965/68.	85‡	87‡
3	Dec. 1963/65.	90‡	91‡
3	Nov. 1967/69.	87‡	89‡
Prince Edward Island:			
3	Oct. 1965 ...	88‡	90‡
Quebec:			
3½	Mar. 1954/59.	97	99
3½	Feb. 1952/55.	100	100‡
4½	Aug. 1958 ...	100‡	102
4½	Jan. 1963 ...	102	104
3	Sept. 1962/64.	91‡	93‡
Quebec Hydro Commission:			
3	Feb. 1969/73.	86‡	88
3	Dec. 1958/60.	94	96
Saskatchewan:			
4	Nov. 1955/60.	99	100‡
5	Aug. 1958 ...	103	105
4½	Mar. 1960 ..	♦103‡	105‡
5	Dec. 1959 ..	♦106‡	107‡
3	Mar. 1963 ..	90‡	92‡
3½	Nov. 1960/62.	92‡	94‡
3½	Oct. 1962/65.	96	98
Newfoundland:			
4½	July 1964 ...	101‡	102‡

♦Payable Can. or N.Y.
†Callable on or after Sept. 15, 1966.
•Payable Can., N.Y. or £.

Significant Investors' Index Numbers

	Mach. and equip.	Pulp and paper	Mill-ing	Oils	Textiles and cloth-ing	Food and allied prod.	Bever-ages	Bldg. mater.	Power and trac-tion	Banks	Total utili-ties	Total co's
No. of securities	11	10	4	5	10	14	4	16	11	8	15	105
*1953 to date:												
High	474.1	513.5	155.2	178.6	410.5	138.5	479.9	312.5	150 9	174.5	176.9	186.2
Low	89.7	51.6	61.2	41.2	78.4	79.5	79.3	66.7	60.2	60.0	62.5	61.1
1953												
Monthly Figures:												
Jan.	432.9	502.5	132.6	117.3	279 0	115.2	382.5	293.8	146.3	162.0	167.9	172.3
Feb.	419.9	494.4	133.4	143.0	269.4	117.0	387.0	291.0	146.2	164.8	166.0	169.0
Mar.	415.5	501.9	130.6	143.3	261.5	117.8	396.8	293.3	147.0	163.9	167.7	170.0
Apr.	432.7	472.6	130.4	136.8	247.7	118.2	384.4	283.2	144.3	163.0	161.0	160.8
May	381.6	471.0	128.3	134.6	235.1	118.2	395.9	275.1	143.4	166.3	160.4	159.8
June	378.9	471.9	128.8	127.4	217.6	118.3	388.1	270.7	140.9	168.4	157.5	156 8
July	394.9	494.9	129.8	129.3	202.7	124.3	408.6	278.5	141.9	169.1	157.9	160.7
Aug.	396.9	518.9	136.4	131.3	211 5	125.7	411.4	283.8	142.9	171.7	154.6	161.2
Sept.	375.2	509.2	132.8	120.8	199 4	123.2	397.8	269.4	141.5	171.6	148.1	152.9
1953												
Weekly Figures:												
Oct. 1 ...	385.7	495.7	130.4	115.9	191.8	122.2	391.0	269.7	139.7	168.9	145.0	148.8
Oct. 8 ...	366.1	495.7	132.5	116.7	190.7	122.8	394.8	262.9	141.0	167 1	146 9	149.4
Oct. 15 ..	370.7	501.1	134.0	117.7	188 3	123.4	398.1	266 7	144.2	167.5	150.3	151.4
Oct. 22 ..	379.2	508.9	131.1	120.7	190.0	123.2	409.3	270.1	144.5	168.0	151.3	154.5
Oct. 29 ..	389.9	515.0	128.4	121.7	188.5	124.8	411.0	271.7	144.9	171.2	151.6	155.5
Nov. 5 ..	394.7	522.6	131.5	121.3	179.4	124.3	416.7	275.3	142.7	174.5	151.5	156.4
Nov. 12 ..	395.2	530.4	132.4	118.7	183.3	124.1	421.4	273.8	138.4	174.3	149.3	154.2
Nov. 19 ..	389.6	535.1	130.3	116.4	172.2	124.1	415.8	273.7	139.9	176.3	148.4	153.3

*High and low for year from 1935 to date inclusive are based on weekly figures issued by the Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indus.	20 Golds	15 B.M.	15 W.O.
Nov. 30	368.67	67.29	144.88	89.42
Nov. 27	368.16	67.45	144.05	88.14
Nov. 26	369.02	67.35	144.61	88.59
Nov. 25	368.18	67.67	144.29	87.51
Nov. 24	366.55	67.79	144.15	87.28
Month Ago ..	311.36	70.42	148.00	90.67
Year Ago ...	320.79	83.96	176.77	113.90
1953 High ...	326.81	87.01	185.69	128.51
1953 Low ...	296.79	67.16	138.39	83.17

Montreal Stock Exchange Index

	10 Util.	20 Ind.	30 Com.	10 Pprs.	15 Golds
Nov. 30 ...	93.2	181.0	151.7	776.12	48.87
Nov. 27 ...	93.4	179.9	151.1	772.22	48.83
Nov. 26 ...	94.1	179.2	150.8	775.47	49.06
Nov. 25 ...	94.0	178.8	150.5	771.50	49.18
Nov. 24 ...	93.8	178.6	150.4	766.60	49.53
Month Ago	94.4	183.5	153.8	740.51	52.27
Year Ago .	90.7	206.4	167.8	714.28	64.69
1953 High .	96.6	212.5	173.0	775.47	66.32
1953 Low .	91.1	174.6	147.2	639.76	48.85

Dow-Jones Closing Stock Averages

	30 Indus.	20 Rails	15 Util.	65 Stocks
Nov. 30	281.37	98.86	52.33	107.47
Nov. 27	280.23	97.68	51.94	106.73
Nov. 26				
Nov. 25	277.78	96.37	51.80	105.78
Nov. 24	277.13	96.30	51.86	105.65

	30 Indus.	20 Rails	15 Util.	65 Stocks
Month Ago ..	276.72	97.02	51.39	105.61
Year Ago ...	281.68	105.79	51.38	109.14
1953 High ..	293.79	112.21	53.88	113.96
1953 Low ...	255.49	90.56	47.87	98.24

Unlisted Stocks

(Compiled by Intercity Securities Corporation Limited, Toronto)

November 30, 1953

	Bid	Ask
Algoma Cent. & H. B. Rly.	12.25	13.00
Do. pfd.	1.50	....
Allens Toronto units	43.00•	....
Anglo American Explor'n	16.00	17.50
Anglo Can. Telephone A	10.50	11.00
Ash Temple Limited	1.25	1.75
Bowes Ltd. 1% pfd.	.70	.80
Brinton Peterboro Carpet	....	55.00
B. C. Sugar	89.00	92.00
British Mtge. and Trust	205.00	220.00
Brockville Trust & Savings	62.00	65.00
Can. Crushed Stone 6% pfd.	89.00	95.00
Canada Life	77.00	82.00
Can. Consol Grain Units	78.00	13.00
Can. Delhi Pete.	12.25	13.00
Can. Foreign Securities	7.25	....
Can. Gen. Sec. pfd.	.80	....
Cdn. Motor Lamp	18.00	20.00
Cdn. Petrofina pfd.	10.25	10.75
Can. Superior Oils	7.75	8.25
Can. West Nat. Gas pfd.	16.25	17.25
Capital Wire Cloth com.	15.50	20.50
Carlton Club	90.00	96.00
Chase, A. W. units	50.00	....
Coleman Collieries A	.22	....
Do. B	.22	.27
Colonial Steamships com.	232.00	242.00
Do. pfd.	72.00	78.00
Commercial Finance Corp.	35.00	37.50
Commercial Life 10% paid	10.75	11.50
Concourse Bldg. V.T.	30.00	....
Confederation Life Assn.	53.00	57.00
Crown Life Ins.	760.00	800.00
Delhi Oil	9.00	19.75
Dennisteel Corp.	1.75	....
Do. 7% pfd.	4.50	....
Detroit Internat. Bridge	32.75	33.75
Dom. Can. General Ins.	270.00	300.00
Dom. Manufacturers	1.25	....
Do. pfd.	90.00	....
Dom. Royalty Corp.	.34	.39
Dover Industries	9.00	9.50
Essex Packers com.	1.65	....
Do. pfd.	30.00	....
Galt Brass	38.50	....
Goderich Elevator & Trans.	21.50	22.50
Granite Club	13.50	14.25
Gt. Britain & Can. Inv.	3.75	4.25
Do. pfd.	15.00	....
Great-West Life Assce.	72.50	74.00
Guardian Realty pfd.	67.50	....
Heaps Waterous com.	2.25	2.75
Highland Dairy 5% pfd.	....	54.00
Homewood Sanitarium	....	97.00
Hudson's Bay Co.	12.00	12.50
Imperial Life Assur.	42.00	45.00
Industrial Mtge. & Trust	63.00	70.00
Ingram & Bell pfd.	103.00	....
Internat. Holdings com.	12.25	13.25
Jenkins Bros. com.	26.50	....
Ladies Golf & Tennis	12.75	....
Lambton Golf	140.00	160.00
Lambton Loan Assmn.	73.00	77.00
Lond. Can. Inv. $3 pfd.	43.00	45.50
Do. B	38.00	40.50
Manufacturers Life Ins.	67.50	70.00
Medical Arts Bldg. Toronto	42.50	43.50
Mississauga Golf	15.00	20.00
Monarch Life 40% pd.	130.00	135.00
Nat. Sewer Pipe pfd. new	10.00	....
Niagara Lower Arch B.	63.00	....
North Star Oil warr.	1.50	1.75
Northern Tel.	1.45	1.60
Ont. Jockey Club warr.	.45	.52
Paramount Oshawa Th. com.	12.50	....
Park Lawn Cemetery	1.30	1.65
Ponder Oil warr	.25	.35
Provincial Gas Co.	65.00	....
Prudential Trust	15.00	18.00
Reliance Pet. A & B	20.00	....
Ritchie Cut Stone pfd.	12.00	....
Robin Jones Whitman pfd.	25.00	....
Sawyer Massey com.	3.50	....
Scarboro Golf	12.00	....
Sec. Stand. Royalties pfd.	.64½	.68
Sincennes McNaught Lines	2.50	3.00
Skyway Drive-In Theatres	1.00	1.40
South Winnipeg Ltd.	2.35	....
Sovereign Life 25% paid	63.50	....
Standard Fuel pfd. 4½%	35.00	36.00
Do. com.	3.00	4.00
Stanfields Ltd. A	10.00	11.00
Do. B	9.00	....
D. A. Stuart Oil com.	11.50	12.25
Summit Golf	14.00	....
Sun Life Assce.	158.00	162.00
Toronto Brick	8.00	....
Do. 1st pfd.	7.50	....
Toronto Housing	2.25	....
Toronto & London Invest.	2.25	2.60
United Co-op's Ont., pfd.	3.00	....
United Steel 6% pfd.	25.25	26.00
Universal Cooler com.	2.25	3.00
Waterloo Manufacturing	7.00	7.50
Western Asurance com.	95.00	100.00
York Trading com.	16.00	20.00

By Kippen Co. Inc., Montreal

Algoma Cent. & H. B. Rly. com.	12.25	12.75
Beauharnois L. H. & Pwr.	30.00	31.50
Cuban Candn. Sugar	5.00	10.00
Dupuis Freres pfd.	14.50	16.50
Foreign Power pfd.	25.00	27.00
Guarantee Co. of N. A.	380.00	....
Hart Battery com.	8.00	....
Hudson's Bay Co. (new)	12.00	12.50
Laprairie Co. com.	23.00	....
Do. pfd.	97.00	....
Maritime T. & T.	15.00	16.00
New Brunswick Tel. Co.	11.75	12.75
S. Nord Chemical Co. Ltd.	.70	....
N. S. Light & Power	20.00	21.00
Ont. & Que. Rly. 5% c. stk.	117.00	122.00
Provincial Bank of Canada	14.50	15.25
Prudential Trust Co.	15.00	....
Sherbrooke Trust Co.	140.00	....
Strategic Materials	5.75	6.25
Sun Life Assce. Co.	156.00	162.00

Investment Trusts

	Divd. pd.▲ cents	Bid $	Ask $
Affiliated Funds	....	4.89	5.29
Balanced Mut.	†13(30)	3.81	4.19
CanaFund	11(•11)	22.58	23.60
Can. Invest. Fund	20(•20)	5.95	6.53
Com'wealth Int.	23(•25)	4.94	5.43
Corporate Inv.	25(•26)	5.57	6.00
Div'sified Inc. shs. B	11(•05)	2.30	2.50
Dom. Equity Inv.	18(•15)	10.30	10.53
Grouped Inc.	19.1(†)	4.56	5.00
Intl. American	....	10.57	11.62
Investors Mut.	28.5(•28.5)	6.36	6.97
Leverage Fund	21(†)	3.30	3.55
Mut. Ac. F., new	•4.44(†7.95)	3.65	3.93
Mutual Income	16.75(•12.29)	3.36	3.65
Resources of C.	20(•21)	4.68	5.36
Timed Invest.	15(•20)	•4.35	•4.35
Trans-Can. A	35(87.8)	17.65	....
Do. B	31(96.4)	17.65	....
Do. C	17.5(20)	3.65	3.93

†Less 20(•) plus stock exchange commission.
▲Paid or payable in 1953; total paid in brackets.
‡After 4-for-1 stock split.

Commodities

	Latest week	Previous week	Same week last yr.
Cattle	$19.15	$18.00	$23.44
Hogs	31.60	30.60	25.60
Copper, lb.	.29½	.29½	.24½
Sugar, raw, lb.	.0565	.0555	.0600
Coffee, lb.	.57¾	.57¾	.53
Hides	.15½	.15½	.20
Weekly Indices			
Dow Jones	159.39	159.31	169.72
U. S. Labor	109.8	109.9	110.3
Monthly Indices			
Retail (Oct.)†	116.7	116.2	116.0
W'sale (Sept.)	221.5	222.4	222 1
U. S. (Aug.)*	110.6	110.9	112 1
Gt. Brit. (Aug.)	326.7	329 3	325.0

Note: †Cost-of-Living Index revised to the Base of 1949=100.
*New series based on 1947-49=100.
Base of price of quotations is as follows: Cattle—Steers, good up to 1,000 lb. top price Toronto Copper-electrotype, New York, Coffee No. 4 Santos, Spot Raw Sugar 96 degrees centrifugal c.i.f.

Unlisted Mines, Oils

(Compiled from quotations by G. E. Leslie & Co., Montreal)

Nov. 30, 1953.

Stock	Bid	Off.
Am. Ash.	25	35
Absan	20	25
Anthonian	48	51
Adelmont	3	5
Adnor	8	9
Bar-Lan	5	10
Belmont	20	25
Baker T.	25	40
Belchasse	67	72
Belpat	50	60
Burnt H.	222	237
Bruns Que.	17	20
Dom. Ash.	54	57
Flomic Ch.	2	4
Dawmac	103	108
Juno	30	40
Provincial	3	7
Persh. Man	7	9
Redcon	9	12
Roymont	7	9
St. Simeon	59	62
Titanium	5	10
Tomiska	7	8
Troysco	10	12
York Asb.	15	20

Oil Stocks (continued)

1.70	.83	.....	....	Red Util...	12,200	.90	.94	.85	.91
.44	.09	.....	....	Merland...	3,200	.13	.13	.12	.12	.32	.09	.....	....	Reef Pet...	7,483	.09½	.09½	.09	.09½
4.40	2.60	.....	....	Merrill P...	77,384	3.85	4.40	3.45	4.35	1.15	.45	.....	....	Rio Prado...	23,118	.80½	.81	.45	.47
.84	.14	.....	....	Mic Mac...	2,000	.17	.17	.17	.17	.37	.12	.....	....	Roxana...	9,100	.14½	.15	.14	.14
.38	.11	.....	....	Midcont...	226,500	.15	.18½	.14	.17	.21	.08	.....	....	Royal Can...	7,100	.19½	.12	.10	.12
.65	.20	.....	....	Mill City...	12,500	.28	.28	.23	.28	17.37½	12.00	.26	3.9	Royalite...	1,053	12.75	12.62½	12.00	12.50
.71	.18	.....	....	Mit Mor...	1,500	.26	.26	.26	.26	.37	.08	.....	....	Rundle...	11,403	.12½	.14	.12½	.12½
1.31	.42	.....	....	Model...	2,400	.60	.65	.60	.65	.43	.12	.....	....	Sage...	1,000	.16	.15½	.15½	.15½
1.35	.17	.....	....	Montco...	7,300	.20	.21	.17	.20	2.81	1.57	.....	....	Sapphire...	10,140	1.90	1.94	1.78	1.94
.77	.28	.....	....	Naco...	2,500	.30	.32	.30½	.30½	2.82	1.00	.....	....	Scurry Oils.	5,100	1.30	1.29	1.20	1.21
2.99	1.60	.....	....	Nat. Pet...	1,900	1.78	1.74	1.62	1.62	2.80	1.35	.....	....	Security...	12,735	1.67	1.75	1.66	1.75
1.62	1.14	.....	....	N. Bristol...	8,775	1.80	1.42	1.25	1.42	.34	.09	.....	....	Select Oils...	5,650	.11	.11	.09	.11
2.00	1.20	.....	....	N. British...	54,016	1.91	2.09	1.75	2.09	1.15	.45	.....	....	Souris Val...	6,500	.55	.61	.50	.50
2.25	1.20	.....	....	N. Concord...	5,007	1.32	1.28	1.20	1.23	.45	.12	.....	....	Spooner...	2,900	.19	.20½	.20	.20
1.82	.30	.....	....	N. Cord...	68,600	.75	.75	.50	.60	.88	.06	.....	....	Spr. C'lee...	7,000	.08½	.08	.08½	.08½
.31	.15	.....	....	N. Davies...	8,700	.15	.15½	.15	.15½	1.83	.88	.....	....	Stanwell...	19,308	.96	1.00	.93	.97
.70	.18	.....	....	N. Devon...	9,100	.23	.21	.20	.20	.41	.12	.....	....	Sturegon...	1,000	.12	.12	.12	.12
.11	.05½	.....	....	N. Pacalta...	3,500	.06½	.06½	.06	.06	.90	.23	.....	....	Sweet Gr...	38,100	.31	.31½	.30	.31
.17½	.06	.....	....	New Ranch...	7,100	.07	.08	.07	.08	4.10	1.53	1.05	....	Trans. Emp.	7,255	2.40	2.08	1.93	1.99
.35	.08	.....	....	N. Richfield...	15,000	.18½	.18	.17	.18	1.32	.43	.....	....	Trans-Era...	56,239	.50	.43	.35	.35½
4.10	1.90	.....	....	N. Superior...	4,321	2.03	2.00	2.00	2.00	.38	.10½	.....	....	Trend...	8,500	.10½	.13	.10½	.11½
3.05	1.70	.....	....	North Can...	1,700	1.80	1.80	1.75	1.80	2.55	2.00	.....	....	Triad...	41,070	2.64	2.70	2.60	2.60
.11	.04	.....	....	N. Ouest...	1,700	.04	.04½	.03½	.04½	1.03	.78	.....	....	TriCan P...	30,485	.92	.92	.86	.88
1.09	.38	.....	....	Northland...	6,000	.38½	.43	.34	.43	1.70	.84	.....	....	Tri-Tor...	23,805	.82	.81	.71	.80
1.10	.82	.....	....	Nuero...	400	1.10	1.05	1.02	1.05	1.60	.40	.....	....	United Oils.	63,959	.80	.80	.75	.80
.11	.05	.....	....	Oil Select...	3,000	.08½	▲.08½	.08	.08	.40	.18	.....	....	Vanalta...	1,700	.22	.25	.21	.25
2.45	1.50	.....	....	Okalta...	7,300	1.90	1.90	1.75	1.87	.34½	.18	.....	....	Van Tor...	6,000	.27	.27	.26	.27
13.37½	6.75	.....	....	Pac. Pete...	8,485	8.75	8.85	8.60	8.70	.20	.03	.....	....	Warner...	3,000	.06	.06½	.06	.06
.51	.30	.....	....	Pan West...	26,000	.33½	.40	.32	.38½	.90	.65	.....	....	W'burne...	4,300	.66	.66	.65	.65
6.40	3.55	.30	14.1	Parker Dr...	265	4.00	4.00	2.53	2.55	.35	.13	.....	....	West Ter...	1,500	.16	.17	.15	.17
1.65	.50	.....	....	Pathfinder...	1,700	.65	.65	.60	.65	.42½	.14	.....	....	W. Ashley...	7,500	.16	.19	.15½	.16
8.75	5.00	.....	....	Peace River...	3,500	6.25	6.25	5.75	6.00	1.65	.58	.....	....	W. H'stead...	21,575	.74	.74	.63	.68
3.30	.92	.....	....	Peruvian...	14,300	1.05	1.00	.98	1.00	6.84	4.25	.....	....	W. L'holds...	2,060	4.60	4.75	4.40	4.75
.82	.37½	.....	....	Petrol O...	154,050	.37	.46	.35	.43	1.15	.35	.....	....	Wilrich...	157,020	.53½	.58	.17	.49
2.25	.80	.....	....	Phillips Oil.	6,000	1.05	1.30	1.15	1.39	.22½	.07	.....	....	Y'ke Can...	6,500	.08	.08	.06	.08
1.76	1.14	.....	....	Ponder...	2,000	1.30	1.30	1.28	1.30	1.19	.40	.....	....	Y'ke Prin...	3,700	.56	.56	.56	.56
2.25	1.05	.....	....	Pontiac...	6,000	1.10	1.20	1.10	1.10	.60	.15	.....	....	York Oils...	2,000	.20	.17	.17	.17
1.20	.36	.....	....	Poplar...	2,000	.35	.35½	.28	.35½										
2.55	1.65	.....	....	Prairie...	2,100	1.80	1.87	1.65	1.63										
1.65	.40	.....	....	Que. Oil Dev	2,200	.45	.50	.40	.50										

* U. S. Funds. ‡ Paid in 1952. ▲ Div. Deferred. ▼ Paid or payable in 1953. ▼ Initial. • Paid or payable in 1954.

Market Comment

What stock and bonds are doing and what prominent observers say

A somewhat better tone crept into the Canadian stock market this week. It was evidenced more by firming bids and more issues traded than by any sharp pick-up in trading activity. A handful of uranium drill-hole issues is accounting for most of the day-to-day trading volume.

Long awaited news on Brazilian Traction dividend action unsettled the industrial market somewhat and dropped the price of Canada's biggest foreign utility stock to fractionally below the $8 level. The unexpectedly heavy liquidation that followed the stock dividend announcement would seem to reflect a general belief that future dividends are very much in jeopardy.

Although market analysts have been cheered by the smart comeback at New York — particularly since it was spearheaded by such key groups as rails, motors and steels — they now look for a period of slower advance or sideways action.

* * *

EARL M. ROBERTSON; Robertson, Malone & Co. (Toronto).

Investment demand for common stocks in Canada appears to be at a very low ebb, principally from the fact that business has been leveling off for some time and in the face of this condition we have been told by our Minister of Finance there will be little change in the 1954 budget. The demand for shares in the U. S. has been very brisk, with the outlook for reduced corporation and personal income taxes and the elimination of excess profits taxes.

Therefore we are faced with divergent trends between the two markets.

Money rates have been considerably eased in the United States which also has attracted buying in their market.

Investors in Canada appear to be watching for some change in our money market, and for a clarification of world trade.

There does appear to be a moderate amount of risk capital available for growth securities.

* * *

BARRON'S; The Trader (New York).

Appraised at only 10.3 times latest 12-month earnings and 10.6 times five-year average earnings, industrial stocks on the average are demonstrably cheap. At the peak of the 1937 bull market, the respective earnings multipliers were 19.3 and 44.4. Railroad earnings, which through the latest reporting month of October, make a handsome showing, are appraised in the marketplace at 4.5 times latest 12-month earnings and 6.2 times five-year earnings, as against 17.4 times annual earnings in March, 1937 (five-year earnings unavailable). The Utility Average is capitalizing latest and five-year earnings at 15 times, as compared with 30.5 times and 42.9 times, respectively, at the January, 1937, peak.

In all segments of the stock market, therefore, the basic factor of earning power is valued subnormally. The comparisons, which speak for themselves, are a complete and valid explanation of the market recovery of the past 2½ months, the vigor of which is vividly demonstrated by the 30-point rise in General Electric.

Dividends Declared

	This payment $	Date payable	Date of record
Abitibi Pwr. & Pap.	.30	Jan. 1	Dec. 1
Do. $1.50 pfd.	.37½	Jan. 1	Dec. 1
Acadia-Atl. Sug.	.12½	Jan. 2	Dec. 10
Do. cl. A	.30	Jan. 2	Dec. 10
Do. 5% pfd.	1.25	Dec. 15	Nov. 20
Acme Gas & Oil	.01	Nov. 30	Oct. 30
Aluminium	†.50	Dec. 5	Oct. 30
Aluminum 4% pf.	.25	Mar. 1	Feb. 5
Do. 4½% pf.	†.31	Mar. 1	Feb. 5
Amer. Cyanamid	†.50	Dec. 23	Dec. 3
Do. 3½% pf.	†.87½	Jan. 2	Dec. 3
Do. 3½% B pf.	†.87½	Jan. 2	Dec. 3
Anglo-Huronian	.25	Jan. 26	Dec. 22
Asbestos Corp.	.25+†.25	Dec. 23	Nov. 27
J. H. Ashdown Hardware A	.15	Jan. 1	Dec. 10
Do. B	.25	Jan. 1	Dec. 10
Assoc. T.&T. A	††41.00	Dec. 22	Dec

DIVIDEND NOTICES

THE DOMINION BANK

EXTRA DIVIDEND

Notice is hereby given that an extra dividend, by way of bonus, of 10c per share on the paid-up capital stock of this Bank has been declared and that the same will be payable at the Head Office of the Bank and its branches on and after the 15th day of December, 1953, to shareholders of record 10th November, 1953.

By Order of the Board.

A. C. ASHFORTH,
General Manager.

Toronto, 29th October, 1953.

THE BANK OF TORONTO

EXTRA DISTRIBUTION

Notice is hereby given that an extra distribution of thirty cents per share on the Paid-Up Capital Stock of this Bank has been declared for the year ending 30th November, 1953, payable at the Head Office of the Bank and its Branches on and after the second day of January, 1954, to shareholders of record at the close of business on 15th December, 1953.

By Order of the Board.

WM. KERR,
General Manager.

November 24th, 1953.

THE ROYAL BANK OF CANADA

Annual Meeting

The Annual General Meeting of the Shareholders of the bank will be held at the Head Office, 360 St. James Street West, in the City of Montreal, on Thursday, the 14th day of January, 1954, at 11 o'clock, a.m.

By Order of the Board,
T. H. ATKINSON, General Manager

Montreal, Que., December 1, 1953.

ROBINSON, LITTLE & COMPANY, LIMITED

WINNIPEG — MANITOBA

DIVIDEND ON COMMON

NOTICE IS HEREBY GIVEN that a dividend of Twenty (20) cents a share has been declared on the Common stock of the Company, payable on the 31st of December, 1953, to shareholders of record at the close of business on the 15th day of December, 1953.

By Order of the Board,

HERBERT J. SADLER,
Secretary.

Dated at Winnipeg, Manitoba, November 27th, 1953.

BRITISH COLUMBIA FOREST PRODUCTS LIMITED

NOTICE OF DIVIDEND NUMBER 20

At a meeting of the board of directors a quarterly dividend of ten cents (10c) per share on the issued ordinary capital stock of this Company was declared payable in Canadian funds on February 1st, 1954, to shareholders of record at the close of business on December 31st, 1953.

By Order of the Board.

T. L. DANIELS,
Secretary.

Vancouver, B.C.,
November 26th, 1953.

STANDARD PAVING AND MATERIALS LIMITED

SPECIAL DISTRIBUTION

Notice is hereby given that a special distribution of 50c per share has this day been declared on the outstanding Common Shares of this Company, payable on the 15th day of January, 1954, to shareholders of record on the 18th day of December, 1953.

By Order of the Board.

JAMES CARNWATH,
Secretary.

Toronto, Ontario
November 27th, 1953.

TORBRIT SILVER MINES LIMITED

The improved outlook for Canada's third largest silver producer is discussed in our current study. Copy on request.

L. S. JACKSON & CO.
LIMITED
INVESTMENT SECURITIES
132 St. James St. West
MArquette 6347 MONTREAL

THE STERLING TRUSTS CORPORATION

NOTICE OF REGULAR DIVIDEND AND BONUS

Notice is hereby given that a dividend of 1½% (30c) for the current quarter ending December 31st, 1953, has been declared on the paid up capital stock of the Corporation and will be payable on January 2nd, 1954, to shareholders of record at the close of business on December 18th, 1953.

Notice is also given that a bonus of 1% (20c) for the year ending December 31st, 1953, has been declared on the paid up capital stock of the Corporation and will be payable on January 2nd, 1954, to shareholders of record at the close of business on December 18th, 1953.

By Order of the Board.

E. R. MEREDITH,
Secretary.

DIVIDEND NOTICES

CANADA PERMANENT MORTGAGE CORPORATION

NOTICE is hereby given that a Dividend of Sixty Cents per share on the paid-up Capital Stock of the Corporation has been declared for the current quarter, and that the same will be payable Saturday, the Second day of January next, to Shareholders of record at the close of business on the Fifteenth day of December, 1953.

By Order of the Board.

J. W. ROSE, JR.,
Secretary.

Toronto, November 12th, 1953.

THE BELL TELEPHONE COMPANY OF CANADA

NOTICE OF DIVIDEND

A quarterly dividend of fifty cents per share has been declared payable on the 15th day of January, 1954 to shareholders of record at the close of business on the 15th day of December, 1953.

Montreal, Nov. 25, 1953.

S. C. Scadding,
Secretary

Canada Northern Power Corporation, Limited

UNDER THE MANAGEMENT OF POWER CORPORATION OF CANADA LIMITED

The Board of Directors has declared the following dividend:

No par value Common Stock

No. 98, Quarterly 15c. per share, payable January 25th, 1954, to shareholders of record at the close of business on December 18th, 1953.

V. J. NIXON,
Secretary.

Montreal, November 24th, 1953.

National Steel Car Corporation Limited

NOTICE OF DIVIDEND

Notice is hereby given that a dividend of thirty-seven and one-half cents (37½c) per share has been declared for the quarter ending December 31, 1953, payable on January 15, 1954, to shareholders of record at the close of business December 15, 1953.

By Order of the Board.

H. J. FARNAN,
Secretary.

THE SHERWIN-WILLIAMS COMPANY OF CANADA, LIMITED

Notice is hereby given that the one hundred and seventieth quarterly dividend of one and three-quarters per cent. (1¾%), being at the rate of seven per cent. (7%) per annum, for the quarter ending November 30, 1953, on the Preferred Stock of the Company, has been declared payable January 2, 1954, to shareholders of record December 10, 1953.

By Order of the Board.

P. W. HOLLINGWORTH,
Secretary-Treasurer.

Montreal, Que.,
November 12, 1953.

R. L. CRAIN LIMITED

DIVIDEND NOTICE

PREFERRED STOCK DIVIDEND

NOTICE IS HEREBY GIVEN that a dividend of one half of one (½%) percent on the one percent Preferred Stock of the Company has been declared for the six months ending December 31, 1953, payable on and after December 31, 1953, to holders of record at the close of business on the 11th day of December, 1953.

COMMON STOCK DIVIDEND

NOTICE IS ALSO GIVEN that a dividend of fifteen cents (15c) per share on the Common Stock of the Company has been declared for the quarter ending December 31, 1953, payable on and after December 31, 1953, to holders of record at the close of business on the 11th day of December, 1953.

By Order of the Board.

HENRY R. NURRISH,
Secretary.

Dated at Ottawa this
23rd day of November, 1953.

QUEBEC POWER COMPANY

NOTICE is hereby given that a dividend of thirty cents (30c) per share has been declared on the no par value common shares of the Company for the quarter ending December 31, 1953, payable February 25, 1954, to shareholders of record January 15, 1954.

By Order of the Board.

J. L. T. MARTIN,
Secretary.

Montreal, P.Q.,
November 24, 1953.

NOTICE OF DIVIDEND NO. 10 GENERAL PETROLEUMS OF CANADA LIMITED

Notice is hereby given that a dividend of Ten Cents (10c) per share has been declared payable to the Ordinary and Class "A" Shareholders of record on the books of the Company at the close of business on Tuesday, the 15th December, 1953, and that the said dividend is payable on Tuesday, the 5th day of January, 1954.

Shares of the Company are transferable at the offices of the Crown Trust Company, at Calgary, Vancouver, Toronto or Montreal, Canada.

In accordance with Notice to Shareholders, dated 23rd June, 1950, dividend cheques will be mailed only to shareholders who have exchanged Share Certificates of General Petroleums Limited for Share Certificates of General Petroleums of Canada Limited, and who are the registered holders of such shares on 15th December, 1953.

By Order of the Board,

H. E. HOWARD, F.C.A.,
Secretary.

Calgary, Alberta.
November 27th, 1953.

DIVIDEND NOTICES

THE GREAT WEST SADDLERY COMPANY LIMITED

COMMON STOCK

A dividend of Fifty Cents (50c) per share for the quarter ending December 31, 1953, on the Common Stock has been declared and authorized to be paid on December 31, 1953, to all Common shareholders of record with the Transfer Agents of the Company at the close of business on December 15, 1953.

By Order of the Board.

J. S. HENDERSON,
Secretary.

Winnipeg, Manitoba,
November 27, 1953.

THE ONTARIO LOAN AND DEBENTURE COMPANY

266th DIVIDEND

NOTICE is hereby given that a Quarterly Dividend of 25c per share on the present paid-up Capital Stock of this Company for the three months ending 31st December 1953 be and is hereby declared and the same be paid on or after 4th January 1954 to Shareholders of record at the close of business on the 15th December 1953.

By Order of the Board.

F. E. A. McKELLAR,
Manager.

London, Ontario,
24th November, 1953.

Canadian Westinghouse Company Limited

DIVIDEND NOTICE

Notice is hereby given that a dividend of fifty cents (50c) per share on the outstanding Capital Stock of the Company has been declared and will be payable on the second day of January, 1954, to Shareholders of record at the close of business on the fourteenth day of December, 1953.

Cheques will be mailed to Shareholders.

By Order of the Board,
W. A. CAMPBELL, Secretary.
Hamilton, Canada, December 2, 1953.

THE FOUNDATION COMPANIES CANADA

DIVIDEND NOTICE

Notice is hereby given that a Dividend of fifteen cents ($0.15) per share for the quarter ending December 31st, 1953, has been declared on the No Par Value Common Shares of The Foundation Company of Canada Limited, payable January 22, 1954, to Shareholders of record at the close of business on December 31st, 1953.

By Order of the Board.

J. R. MILLS,
Secretary.

Montreal, Quebec
November 25, 1953.

GYPSUM, LIME AND ALABASTINE, CANADA, LIMITED

DIVIDEND NOTICE

Notice is hereby given that a quarterly dividend of fifty cents (50c) per share has been declared and will be paid to shareholders of record at the close of business February 1st, payable March 1st, 1954, and that a quarterly dividend of fifty cents (50c) per share has been declared and will be paid to shareholders of record at the close of business May 3rd, payable June 1st, 1954.

By Order of the Board.

F. ANDREWS,
Treasurer.

Paris, Ontario,
November 24, 1953.

YALE & TOWNE

DECLARES 263rd DIVIDEND

50¢ PER SHARE

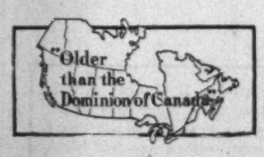
On Nov. 24, 1953, dividend No. 263 of fifty cents (50¢) per share was declared by the Board of Directors out of past earnings, payable on Jan. 2, 1954, to stockholders of record at the close of business Dec. 8, 1953.

F. DUNNING
Executive Vice-President and Secretary

THE YALE & TOWNE MFG. CO.
Cash dividends paid in every year since 1899

DIVIDEND NOTICE

The Huron & Erie MORTGAGE CORPORATION



Notice is hereby given that a Quarterly Dividend of 1½ per cent for the current quarter ending 31st December, 1953, has been declared on the paid in Capital Stock of this Corporation and will be payable at any of the Corporation's offices on the 4th of January, 1954, to shareholders of record at the close of business on the 15th of December, 1953.

By Order of the Board,

J. P. COLLYER,
Secretary.

London, Ontario,
26th November, 1953.

DIVIDEND NOTICES

CANADIAN FOOD PRODUCTS LIMITED

DIVIDEND NOTICE

NOTICE IS HEREBY GIVEN that a dividend of $1.12½ per share on the 4½% Cumulative Convertible Redeemable Preference Shares of the Company has been declared payable on January 2, 1954, to holders of record at the close of business on December 8, 1953.

By Order of the Board.

H. L. SLATER,
Secretary-Treasurer

Toronto, Ontario,
November 26th, 1953.

NOTICE OF DIVIDENDS

CATELLI FOOD PRODUCTS LIMITED

Notice is hereby given that an extra dividend of fifteen cents ($0.15) per share on the Class "A" and the Class "B" shares of the Company has been declared out of the earned surplus of the Company for the fiscal year 1953, payable on December 21st, 1953, to the shareholders of record on December 7th, 1953.

By order of the Board,

ROMEO DESJARDINS,
Secretary-Treasurer.

MADSEN RED LAKE GOLD MINES LIMITED

(No Personal Liability)
67 Yonge St., Toronto

DIVIDEND NO. 23

NOTICE is hereby given that a dividend of 5c per share **plus a bonus of 2c per share** has been declared by the Directors of Madsen Red Lake Gold Mines Limited (No Personal Liability), payable in Canadian Funds on December 23rd, 1953, to shareholders of record December 4th, 1953.

By Order of the Board.

M. MASTERSON,
Secretary-Treasurer.

Toronto, November 25th, 1953.

CANADA DRY

DIVIDEND NOTICE

The following dividends have been declared by the Board of Directors:

Preferred Stock

A regular quarterly dividend of $1.0625 per share on the $4.25 Cumulative Preferred Stock, payable January 1, 1954 to stockholders of record at the close of business on December 7, 1953.

Common Stock

A quarterly dividend of $0.15 per share on the Common Stock, payable January 1, 1954 to stockholders of record at the close of business on December 7, 1953.

Transfer books will not be closed. Checks will be mailed.

WM. J. WILLIAMS
Vice-President & Secretary.

DOMINION GLASS COMPANY LIMITED

NOTICE is hereby given that a dividend of one and three-quarters percent (1¾%) has been declared on the PREFERRED STOCK of the Company for the quarter ending the 31st. day of December 1953.

NOTICE is also hereby given that a dividend of Forty Cents (40 Cents) per share has been declared on the COMMON STOCK of the Company for the quarter ending the 31st. day of December 1953.

NOTICE is also given that an extra dividend of One Dollar and Twenty-five Cents ($1.25) per share has been declared on the COMMON STOCK of the Company.

The dividends on the Common Stock being subject to a provision to the effect that, if the sub-division of the shares of Common Stock of the Company shall become effective before the payment date of such dividends, thereby doubling the number of such shares held by the shareholders respectively, the amount paid per share of Common Stock which will then be outstanding will be only half the above stated amounts respectively.

The above dividends will be paid on Friday, the 15th day of January 1954, to shareholders of record at the close of business Tuesday, the 29th day of December 1953.

By Order of the Board.

F. N. DUNDAS,
Secretary.

Montreal, 24th November 1953.

DISTILLERS CORPORATION-SEAGRAMS LIMITED

DIVIDEND NOTICE

Notice is hereby given that a dividend of Thirty Cents (30c) per share in Canadian currency and an extra dividend of Fifty Cents (50c) per share in Canadian currency on the outstanding Common Shares of the Company have been declared payable December 15, 1953, to shareholders of record at close of business November 28, 1953.

By Order of the Board.

A. M. HENDERSON,
Secretary-Treasurer.

Montreal,
November 18, 1953.

MONTREAL LOCOMOTIVE WORKS, LIMITED

Dividend No. 31

A dividend of twenty cents (20c) per share on the Common Stock of this Company has been declared payable January 2nd, 1954, to shareholders of record at the close of business on December 4th, 1953.

Transfer books will not be closed.

WILLIAM J. NILES,
Secretary.

November 25, 1953.

Can. Industrial Designers Can't Get Enough Work

(Continued from page 19)

department, sales and advertising departments agree, the designer is commissioned to make a scale model for $100 to $500;

(4) The designer is then asked to give any ideas he has for the engineering and assembly of the product. These are paid for. Then the company may go ahead with a hand-made mock-up of the product.

(5) Before the product emerges from the assembly line it is tested, pulled apart and changed any number of times. The designer may be called in again to put the final style and color touches on.

This, it was explained, is the routine on using free-lance designers. The cost is low, because at any stage the project may be dropped. But it's mainly a style job for the designer rather than a completely engineered new product.

Little Fulltime Work

Working industrial designers in Canada say there are few industries in Canada where a fulltime industrial designer can be employed. The alternative is the one suggested by the NIDC, freelancing. On this basis, the pay may be $50 to $500 a month as a retaining fee to sit in on conferences and suggest ideas to firms. Or, on a project basis, as outlined above.

The main fields of endeavor are: redesigning imported products; printing and publishing art work; packaging designs; advertising; display work; point of sales displays.

The industrial designers agree that much of this work cannot be called true industrial design work. Much of it does not call for engineering knowledge. But it is a growing field which, it's hoped, will one day encompass more original product designing.

NOTICES

THE DOMINION BANK

Notice of Annual General Meeting

The Annual General Meeting of the Shareholders will be held at the Head Office of the Bank, King & Yonge Streets, Toronto, on Wednesday, the ninth day of December next, at 2.30 o'clock, p.m.

By Order of the Board.

A. C. ASHFORTH,
General Manager.

Toronto, 1st October, 1953.

DIVIDEND NOTICES

Penmans

NOTICE is hereby given that the following Dividends have been declared for the quarter ending the 31st day of January, 1954.

On the Preferred Stock, one and one-half per cent. (1½%), payable on the 1st day of February to Shareholders of record of the 4th day of January, 1954.

On the Common Stock, seventy-five cents (75c) per share, payable on the 15th day of February to Shareholders of record of the 15th day of January, 1954.

By Order of the Board.

L. P. ROBERTON,
Secretary-Treasurer.

MONTREAL,
November 30, 1953.

DIVIDEND NOTICE

SWITSON INDUSTRIES LIMITED

Dividend No. 3

NOTICE is hereby given that the regular quarterly dividend of four cents per share has been declared on the common shares of the Company to be payable on Thursday, December 31st to shareholders of record at the close of business on Tuesday, December 15, 1953.

By Order of the Board.

W. T. GUNNING,
Secretary.

Welland, Ontario,
November 27, 1953.

THE SHAWINIGAN WATER AND POWER COMPANY

NOTICE IS HEREBY GIVEN that a dividend of thirty cents (30c) per share has been declared on the no par value common shares of the Company for the quarter ending December 31, 1953, payable February 25, 1954, to shareholders of record January 15, 1954; also special dividend of twenty-five cents (25c) per share has been declared on the no par value common shares of the Company payable December 30, 1953, to shareholders of record December 3, 1953.

By Order of the Board.

J. L. T. MARTIN,
Secretary.

Montreal, P.Q.,
November 23, 1953.

Grain Prices

Chicago Futures

Week to November 30, 1953

Crop year from Aug. 1, 1952 High	Low		High for week	Low for week	Close Nov. 30
		Wheat—			
2.40¼	1.81	Dec.	2.01¼	1.97¼	1.98¼
2.37¼	1.83¼	Mar.	2.05¼	2.03	2.04
2.21	1.86¼	May	2.05¼	2.02¾	2.03¼
2.07	1.81¼	July	1.97¼	1.93¼	1.94¼
2.02¾	1.95¼	Sept.	1.99¼	1.95¼	1.96¼
		Corn—			
1.64¼	1.33¾	Dec.	1.57¼	1.53¼	1.56¼
1.60¼	1.37	Mar.	1.60¼	1.57	1.59¼
1.61	1.38¾	May	1.61	1.58	1.60¼
1.59	1.45¼	July	1.59	1.57¼	1.58¾
1.54¼	1.50¼	Sept.	1.54¼	1.52	1.52¼
		Oats—			
.79¾	.71¼	Dec.	.77¼	.75	.76
.80	.72¼	Mar.	.79¼	.78	.78¼
.78¼	.70¼	May	.77¼	.76	.76¾
.79¼	66	July	.73¼	.73	.73¼
		Rye—			
1.79¼	1.07¼	Dec.	1.20¾	1.15¾	1.18¼
1.59¼	1.12¼	Mar.	1.24¼	1.20¼	1.23¼
1.53¼	1.14¼	May	1.27¼	1.23¼	1.26
1.36	1.16¼	July	1.29¼	1.25¼	1.27¼
		Soybeans—			
Jan.			3.12	3.01¾	3.10¼
Mar.			3.10¼	3.07¼	3.09¼
May			3.06¼	2.98¾	3.06¼
July			3.00¼	2.93	3.00¼
Sept.			2.66	2.57	2.59¼

Chicago Cash

	For Week Nov. 30 High	Low	Prev. week High	Low
Corn—				
2 Yell.	...	...	...	...
Oats—				
1 H. Wh.	.83¼	.82	.81	.81

Winnipeg Futures

Week to November 30, 1953

Crop year from Aug. 1, 1952 High	Low		High for week	Low for week	Close Nov. 30
		Oats—			
.77¼	.67¼	Dec.	.72¼	.70¼	.70¾
.72¼	.67	May	.71¼	.70¼	.70¾
.71	.68¾	July	.70¾	.69¼	.69¾
		Barley—			
1.15¼	.93¾	Dec.	.96¾	.94¼	.94¼
1.11¾	.96¾	May	.98¾	.97¼	.97¾
1.00¼	.95¾	July	.98¼	.96¼	.96¾
		Rye—			
1.53	.98	Dec.	1.10¾	1.05¼	1.07¼
1.32¼	1.03¾	May	1.14¼	1.09¾	1.11¾
1.19	1.09¾	July	1.14¾	1.09¼	1.11¼
		Flax—			
3.13	2.53¼	Dec.	2.71	2.64	2.64¾
2.94¾	2.56	May	2.77¼	2.70¾	2.72¼
2.76	2.58	July	2.76	2.69¼	2.69¼

Winnipeg Cash

	For Week Nov. 30 High	Low	Prev. week High	Low
Oats—				
2 C. W.	.71¼	.70¾	.69¼	.70¼
3 C. W.	.71¼	.69¼	.68¼	.70
Barley—				
1 Feed	.92¼	.90¾	.91¼	.90¼
2 Feed	.90¼	.88¾	.90¼	.89¼
1 Malt	1.10¼	1.07¼	1.08¼	1.07¼
Rye—				
2 C. W.	1.07¼	1.06¼	1.10¼	1.07¼
1 C. W.	1.07¼	1.06¼	1.10¼	1.07¼

Quash Rumors Of Steinberg's Maritimes Move

MONTREAL (Staff) — Persistent rumors that Steinberg's Ltd. would build a supermarket at Fredericton to serve families of the $35 million Camp Gagetown project were quashed this week in Montreal.

"We are not presently anticipating such a move," vice-president, operations, Nathan Steinberg, told The Post.

Previously, it had been rumored the fast-growing chain might take its first step into the Maritimes by establishing a branch in New Brunswick's capital. Today, the company operates only one branch outside the province of Quebec—in the basement of an Ottawa department store.

The company now has six new supermarkets in progress, with five more on drawing boards, and 13 others expected to be built in the next four years. Units at Shawinigan, Chicoutimi, and Dorval, as well as two in Montreal are next on the openings lists.

Steinberg's now operates a total of 32 stores, 29 of them supermarkets. The company opened its first supermarket in 1937.

ANNOUNCEMENT

GORDON P. OSLER

The election of Mr. Gordon P. Osler of Winnipeg as a Director of The Toronto General Trusts Corporation is announced by C. C. Calvin, Q.C., President.

Mr. Osler is President of Osler and Hanton Trust Company, whose shareholders have recently approved a sale of their assets and undertaking to the Toronto General Trusts; President of Osler, Hammond and Nanton Ltd. and of Western Pipe Lines; and a Director of The Dominion Bank, North American Life Assurance Co. and Calgary and Edmonton Corporation Ltd.

Theatre Firm Bonds Offered

A $1 million issue of 5½% first (closed) mortgage and collateral trust bonds of Theatre Properties (Hamilton) Ltd. was offered at par this week by Wood, Gundy & Co. Issue includes $375,000 serial bonds maturing Dec. 1, 1954-58, and $625,000 sinking fund bonds due 1963.

Proceeds will be applied to purchase of the Orpheum, Olympia, Plaza, Varsity and Dunbar theatres in Vancouver, from General Theatre Investment Co.

In another move this week, General Theatre Investment Co. made an offer of $15.34 per share for Theatre Properties (Hamilton) Ltd. stock. Equity capitalization outstanding consists of 96,855 n.p.v. shares. Listed on the Toronto Stock Exchange but rarely traded, shares of Theatre Properties changed hands last week at a new 1953 high of $13½.

President P. L. Nathanson and Vice-President G. H. Beeston of Theatre Properties (Hamilton) Ltd. are, respectively, vice-president and president of General Theatre Investment Co. The two officers are also on the directorate of both companies.

Hamilton Property

Theatre Properties (Hamilton) Ltd. holds mortgages totaling $800,000 on the Capitol and Palace theatres in downtown Hamilton. These theatres, with seating capacity of 4,226 are operated by Odeon Theatres (Canada) Ltd. under leases extending to 1971.

Total assets at Sept. 26, 1953, before giving effect to the new financing, amounted to $1,631,106, and included book value of $390,033 (market value $376,224) of marketable securities, and $377,748 book value of shares of Associated Screen News Ltd. Total liabilities were $1,108,940, including $460,677 earned surplus, $1,108,940 derived from sale of the two Hamilton theatres in 1951, and $11,412 current liabilities.

Net profit for the 39 weeks ended Sept. 26, 1953, was $34,317; for the 52 weeks ended Dec. 27, 1952, net was $39,388. Income was derived from investments and mortgages in both periods, and includes profit or loss on sale of investments.

Estimated earnings for 1954 are $105,048, after interest of $55,000 on bonds to be outstanding but before depreciation and income taxes. Estimated revenues include $110,301 in rentals from leases.

Of the five Vancouver theatres to be bought by Theatre Properties (Hamilton) from General Theatre Investment Co., the Orpheum is leased to Famous Players Canadian Corp. for 15 years from June 1, 1951, and the other four are leased to Odeon Theatres (British Columbia) Ltd., each for a term of 25 years from Jan. 1, 1953.

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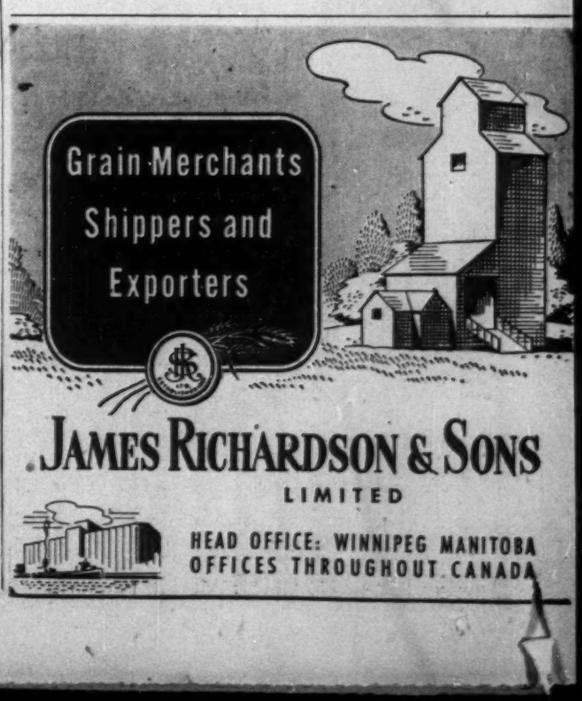

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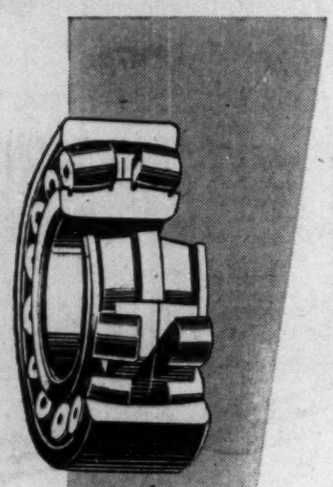

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MINING INVESTMENTS

New Larder Gravity Survey Shows Big New Ore Chances

Probably the "hottest" immediate chances of further large new base metal ore bodies emerging in the Bathurst, N.B., mining camp, lie on the main property of New Larder "U" Island Mines. This property, which was combed over by drilling for months on end with little luck, now has possibilities of outlining a whole string of new ore bodies. When deep drilling on the main 2,000-ft. ore zone showed a very sharp improvement in values and widths with depth, the New Larder "U" Island management decided that it would be advantageous to run a gravimetric survey over the immediate area with the idea of securing information on where the deep 1,000-ft.-long holes should be spotted.

This survey disclosed the 2,000-ft. long ore zone shown by drilling in almost exact detail — and has also shown a whole group of gravimetric anomalies in an area 1,500 ft. wide by 3,500 ft. long.

In view of the accuracy with which the main ore zone was delineated by the gravimetric work, more than average interest attaches as to what other anomalies may mean. Earlier work was all of the electromagnetic survey work and the gravitymeter survey is "something new."

A first answer as to possibilities of these new anomalies may be available in the next few days. A drill hole collared to the west of the main known ore zone has now cut through the main zone sulphide section and is being extended to the east and should cut one of these new gravimetric anomalies at about 500 ft. within the next day or two, barring unexpected delays.

The chart of the survey shows three anomalies 1,500, 750 and 400 ft. in length paralleling to the east and south of the main ore zone while there are two anomalies to the west 450 ft. and 500 ft. in length. One of the anomalies to the west shows the highest reading of any.

This may mean either a large mass or that an ore body may lie close to surface.

To the north along the general strike of the main zone are anomalies 600, 600 and 500 ft. in length. There is a wide 500-ft. anomaly offset about 50 ft. at the north end of the 2,000-ft. long anomaly.

No. 65 hole, first of the 1,000-ft. horizon holes on the main zone, still rates as the best. It showed 250 ft. averaging 7.38% zinc, 2.74% lead and 2.76 oz. silver starting at footage 640. This included 40 ft. starting at 730 ft. which averaged 20.6% zinc, 9.58% lead and 10.05 oz. silver.

No. 64 hole, 150 ft. to the south, is believed to have flattened and may have been too shallow to get into the deeper and presumably better part of the ore body. This hole started securing values at 351 ft. and at 567 ft., numerous but relatively narrow bands began coming with the usual zinc-lead-silver and some copper values. Starting at 567 ft. was 21.5 ft. which gave 5.78% zinc, 4.06% lead and 6.25 oz. silver. At 931.5 ft. there was a section of 13.5 ft. which ran 1.18% copper with other values not reported. Another 8-ft. section at 955 ft. gave 1.15% copper. And at 1,013.2 ft., 14.8 ft. of core ran 8.74% zinc, with lead estimated at 6.0% and silver estimated at 2 oz.

Four drills continue to work at New Larder "U". Arrangements have been made for a bridge over the Nepisiguit River and a three-mile road is also to be built to link in to the main Brunswick road.

* * *

Weedon Makes Profit

Operating position of Weedon Pyrite & Copper Corp. has been showing progressive improvement in 1953. By the end of September, March quarter's operating loss of $17,349 had been turned into an operating profit of $114,953.

September operating profit amounted to $25,736 for the copper-pyrite producer.

During the nine months ended Sept. 30, the mill treated an average of only 215 tons daily. Certain changes have now been made in the plant and equipment to immediately increase tonnage of ore treated, it is stated.

Entire output of copper and zinc has been sold and delivered as produced. During the past two weeks arrangements were completed whereby the entire production has been sold on long term contracts and since the middle of October a stockpile of iron pyrites has been shipped to four consumers, two in Canada, one in the U. S. and one in Britain.

* * *

Rexspar Adit Starts

Driving of an adit was expected to start this week on the Black Diamond property of Rexspar Uranium & Metals Mining located 70 miles north of Kamloops, B.C. Work will be done under contract by Interior Contracting Co. of Penticton, B.C.

Objective is to outline, if possible a million tons of uranium ore next year. Franc-Joubin, managing director of Technical Mine Consultants, considers it is reasonable to expect that this objective can be reached during the 1954 season.

Ore deposits on the property occur as large lenses within a well-defined belt striking northeasterly across the property. The favorable belt measures from 2,300 to 3,200 ft. in width and has been traced for over 6,000 ft. in length. Results of diamond drilling on the Black Diamond occurrence to date indicate approximately 160,000 tons averaging $13.05 a ton in addition to undetermined amounts of rare earths.

Pronto 4th Drill Details Main Zone

A fourth drill has now been placed in operation at the Algoma uranium area property of Pronto Uranium Mines. The new drill is engaged in putting down holes between previously drilled holes on the main ore block to provide a detailed and integrated picture of ore continuity for current underground development planning.

Indicative of strong intersections being secured in deep drilling, hole No. 91 cut 7.5 ft. of conglomerate averaging 0.17% U_3O_8 or $24.65 a ton. Hole 93 gave 9 ft. averaging 0.15% U_3O_8 or $22.25 including 5 ft. which ran $31.90. Hole 91 gave 10 ft. of 0.26% or $37.70 per ton.

The adit operation north of hole P-24 has been advanced to its 50-ft. objective into the ore down dip of structure. Slashing and drifting is under way to provide several hundred tons of fresh ore material for metallurgical test purposes.

Alger Will Drill Next to Milnet

A diamond drill has been moved into the property optioned by New Alger Mines Ltd. in the southeast corner of Parkin twp. adjoining to the south of Milnet Mines, Sudbury district, Ont. It is proposed that drilling commence on a sulphide zone in which nickel burns have been found.

This zone has been opened for a length of some 90 ft. by surface workings. A geophysical survey of this property has just been completed but results are not yet in the hands of the company officials. However it is understood that anomalous magnetic conditions have been found.

On the company's Louise twp. property a geophysical survey has been started and some surface trenching and sampling have been done on surface exposures showing copper, nickel, platinum and cobalt mineralization. A character assay from this showing gave gross metal values of $16.71 across an 18-ft. width. Diamond drilling is proposed on this property in the near future to test the known showings and other indications resulting from the geophysical survey.

Eastern Metals Estimates 4,000 Tons-Ft. At 170 Ft.

Latest 170-ft. level drilling has indicated further extension of the massive sulphide replacement type ore body in southerly working of Eastern Metals, Andrew Robertson, vice-president and managing director, reports.

Mr. Robertson, who has just returned from a visit to the property, now estimates that there is 4,000 tons to the vertical foot at the 170-ft. level on basis of a 561-ft. known length of nickel zone and a 600-ft. length for the No. 2 copper zone.

A flat hole, drilled into the north wall 50 ft. east of the 105 crosscut at the 170-ft. level has returned 20.7 ft. of core averaging 6.56% copper and 0.05 oz. gold to give an additional 50 ft. of length to the No. 2 copper zone on the northeast.

Individual sections making up the core width from 13.2 to 33.9 ft. comprised: 0.05 oz. gold, 0.49 oz. silver, 5.85% copper and 0.55% lead from 13.2 to 20 ft.; 0.05 oz. gold, 0.25 oz. silver, 14.06% copper and 1.41% lead from 23.2 to 28.1 ft.; 0.05 oz. gold, trace silver, 0.81% copper and trace lead from 28.1 to 33.2 ft. and 29.74% copper from 33.2 to 33.9 ft.

Following completion of a flat hole to explore the south wall, Mr. Robertson reports the machine will be moved to the 450-ft. level to drill a pilot hole from the west nickel drift before driving the crosscut to explore down persistence of the No. 2 copper zone. The drill will be used later on the 170-ft. level to drill from the No. 2 to the No. 1 copper zone.

Work has started in drill testing at 25-ft. centres the nickel ore length opened on the 170-ft. level to give detailed assessment as to average widths and grade of the ore body.

Both east and west headings are advancing steadily in the nickel zone at the 450-ft. level.

Surface hole No. 90 which indicated the favorable zone and structure continuing 600 ft. west of underground workings assayed low nickel across good widths, it is stated. Hole No. 91 is now down some 500 ft. at location 200 ft. west of No. 90.

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ANNOUNCEMENT

BANK OF TORONTO APPOINTMENT

C. D. O. McGILL

The Bank of Toronto announces the appointment of C. D. O. McGill as Superintendent at Head Office. Formerly a Chief Supervisor, Mr. McGill came to Toronto in September, 1952, from Vancouver where he was Manager of the Bank's Main Branch.

Beaverlodge Finds Stirring New Interest Six Sections Reveal Uranium Chances

By GORDON M. GRANT

Is the Beaverlodge camp about to blossom forth with uranium news which will mark a major revival of interest in this area?

A number of discoveries—including the impressive-looking Lorado Uranium discovery five miles southeast of Eldorado's Ace mine — has already brought a quickening of interest in this leading uranium camp. Sentiment about Beaverlodge uranium issues has taken a definite turn for the better.

Aside from uranium mining operations already at work underground, the big Athabasca uranium area has at least six localities attracting considerable interest:

1. The Gunnar Gold property area on Crackingstone point where drilling continues to extend known ore and where a major expansion of ore reserves has occurred in recent months.

2. Southeast shore of Black Bay where the New Bidlamaque ground has uranium showings which are expected to be drill tested shortly.

3. The Lorado strike area which has focussed some attention on the possibilities of neighboring ground held by such people as Sudbury Contact, Pitchvein and a group of individuals associated with Gunnar Gold Mines.

4. Radiore ground adjoining and leased to Eldorado where drilling shows possibilities of 100-ft. ore widths. Sinking of Eldorado's new shaft, which will permit development of this ground was scheduled to be resumed Tuesday following completion of shaft collar.

5. The Marbenor sector where core from five further drill holes is reported to show good radioactivity.

6. Outlying areas such as Cypress River where Chimo and Violamac have made eight discoveries and from which interesting assays have been returned.

No official word has come out on Gunnar recently but news continues favorable. The last official estimate of ore reserves was $65 millions. Brokerage sources now talk about four million tons of $30 ore. This would be $120 million of ore at the $7.25 price. This new unofficial estimate is not out of line and could be on the low side. On the basis of a 92% recovery, $12-a-ton cost figure, a profit of $15.60 a ton before taxes could be inferred or approximately $2.10 a share on the basis of 1,250 tons daily, which it's thought will be mill capacity.

Because the company has secured a good start in establishing operations this year, and open pit mining will be done initially, production may be reached relatively quickly.

With large capital expenditures involved for leach processing, the company stands a good chance for special treatment on price of uranium, which could mean an upward revision in earning potential. As a new producer, the company will be exempt from federal corporation tax for its first 3½ years of milling. It could be that Gunnar Gold may earn $3 a share for its first three tax-free years if a leaching allowance is secured and a higher price for uranium is secured on the basis of a higher grade product turned out through leaching.

Get Ore From Ice

Ore is understood to have been shown to the shore of St. Mary's channel and the ore-bearing solutions may have emanated from the St. Mary's Channel fault about 1,500 ft. south of the most southerly holes. The ore body is open in this direction and drilling will be done here as soon as ice on Lake Athabasca permits. Nesbitt LaBine, Iso and Violamac have ground to the south of Gunnar which might prove of interest.

The Lorado discovery now shows a length of 280 ft. averaging $64 a ton across an average width of 14 ft. Strike is roughly north-south (15 deg. east of north) and there is a claim and a half or about half a mile open to the north on strike before the Sudbury Contact boundary is reached. The Lorado discovery lies next to the west boundary but dips at 75 deg. south-easterly into the company's own ground. There is property protection of 2,000 ft. in this direction.

The property to the west of Lorado and in which the LaBines are reputed to have an interest, has a showing of pitchblende-vanadium in a north-south striking structure.

Pitchvein to the southwest and covering extension of the pitchblende-vanadium structure, also has a similar pitchblende-vanadium showing. Financing deals on ground in this sector are anticipated.

Since the last announced Radiore drilling which returned such favorable results, Eldorado is said to have drilled a number of holes along the extension of this Radiore ore zone on its own ground with encouraging results. This ore body has a relatively flat dip (about 33 deg. or 34 deg.) but Radiore has about a mile of property protection to the south on dip.

An additional ore chance for Radiore here is the possibility of a deeper footwall ore body similar to that which is known to exist on the adjoining Ace property. Radiore is scheduled to receive another $50,000 minimum royalty from Eldorado on Dec. 19.

Freezeup has been late at Beaverlodge this year and a number of drilling programs from the ice may be delayed. Gunnar is probably the chief company which can anticipate favorable news from winter drilling but there are other smaller operators, such as Marbenor, which have likely sections for testing from the ice.

Canuba to Drill Manganese Ore

A program of diamond drilling is being launched by newly-formed Canuba Manganese Mines on manganese properties held under lease in Cuba which have extensive showings of manganese and on which some small-scale mining in manganese was carried out in earlier years.

Two diamond drills have been purchased by the company and are now in Cuba with actual drilling operations expected to get under way very shortly.

According to reports of engineers who investigated the property over a period of years and Dr. R. A. Halet, who recently returned from a property inspection, large tonnage possibilities exist for the main group of three originally-acquired properties. Of the showings on this property, Dr. Halet reports:

"If the ore body has a length of 7,000 ft. with an average width of 15 ft., it contains 2,860,000 long tons of ore to a depth of 300 ft. There is no reason to believe that the deposit will cut off at this depth and if it can be proved to extend beyond 300 ft. the probable and possible ore will be greatly increased.

"If the grade is 20% manganese as suggested by John M. Rogers, who examined the property for the Hayden Stone interests in New York in 1931, approximately three tons of ore will be required to produce one ton of 48% concentrate, assuming 80% recovery.

"The market price (dockside Cuba) of one ton of 48% concentrate ranges from $44 to $51. Royalty payments of $2 per ton and estimated transport and loading costs of $4 must be deducted, giving a net return at the mine of $36 to $45 per ton of concentrate or $13 to $15 per ton of ore mined."

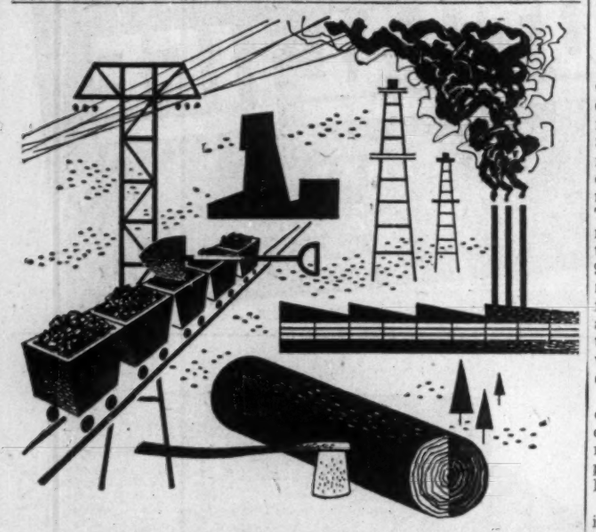
Dr. Halet estimates that on the basis of a 1,000 tons operation, operating costs would be about $6 per ton mined. This would leave a satisfactory margin of profit, says Dr. Halet, and would permit a grade considerably lower than 20% to be considered ore.

Maree Uranium To Drill This Month

Diamond drilling is expected to be under way at the Beaverlodge property of Maree Uranium Mines this month despite delayed freeze-up conditions. The company has been advised by Boyles Bros., Edmonton, who have the drilling contract, that the freeze-up is now well advanced and that planes should be able to land on the ice at Milliken Lake in about a week's time. Drill crew and equipment are standing by ready to be flown into the property.

Geiger-counter, Scintillometer and rock-trench work carried out last summer showed considerable radioactivity, with assays of visible pitchblende showings returning high values. The drilling at Maree will be done on the basis of detailed geological information and knowledge of structural conditions said to indicate interesting chances of success.

The resident geologist will be working under Dr. G. C. McCartney who has planned the drilling program and will act as consulting geologist.



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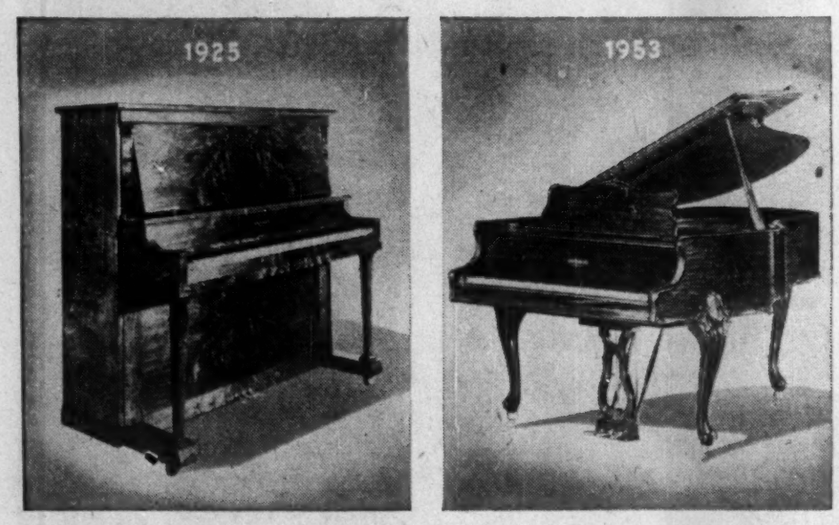

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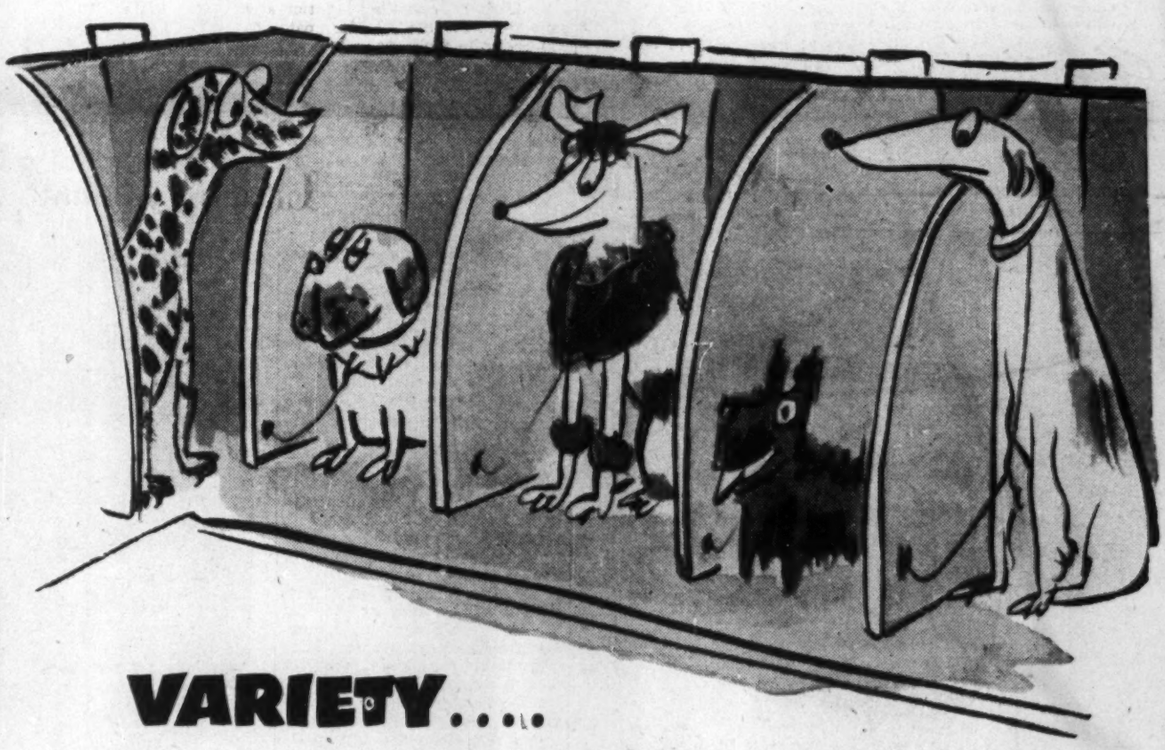

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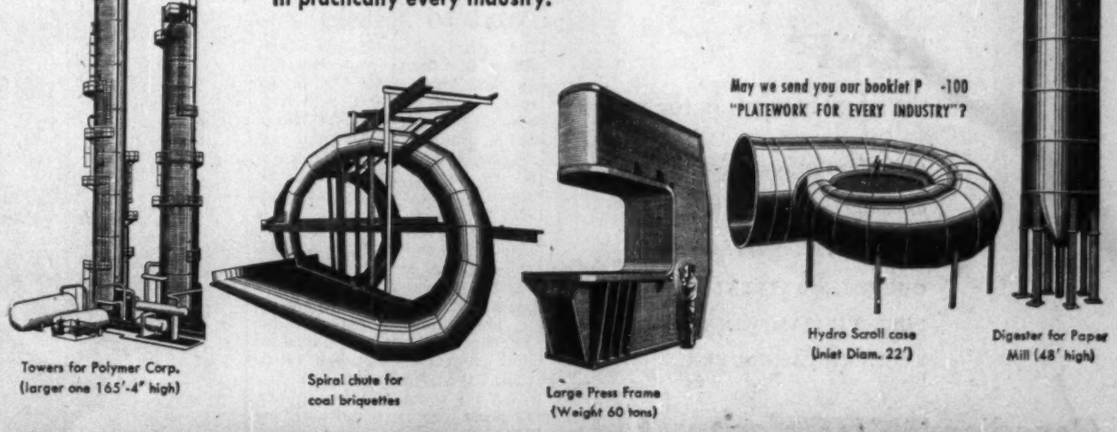

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SALE OF RIGHT TO LEASE PARTS OF WINDY LAKE AND CERTAIN ISLANDS THEREIN — CASCADEN AND DOWLING TOWNSHIPS SUDBURY DISTRICT — 1,650 ACRES

The Ontario Department of Mines invites tenders for the privilege of leasing those parts of Windy Lake and certain islands thgrein designated as Parcel "A", containing 712 acres and Parcel "B", containing 938 acres, described as follows:

PARCEL "A"

ALL AND SINGULAR that certain parcel or tract of land situate, lying and being in the Township of Dowling in the District of Sudbury, and being composed of land lying under the water of the original bed of Windy Lake as shown by the original survey of the said township, adjacent to the said township, together with the Three Tree Islands within the following described limits, containing an area of 712 acres more or less and which may be more particularly described as follows:

BEING COMPOSED of all that portion of the original bed of Windy Lake as shown by the original survey of the said Township of Dowling lying east of the northerly production of the west boundary of the said township and north of a line drawn across the said lake on a general bearing of north 61° east from a point in Cascaden Township to a point in Dowling Township, the said line may be more particularly located as follows:

COMMENCING at a Department of Mines monument planted on the line marking the west limit of Broken Lot 2 in the 4th Concession of the said Township of Cascaden, near the high water mark of Windy Lake to witness the south-west angle of said Broken Lot 2 the said monument being the western terminus of the said line;

THENCE north 61° east across Windy Lake a distance of 183.2 chains more or less to a Department of Mines monument planted on the line between Concessions 4 and 5, Dowling Township, near the high water mark of Windy Lake to witness the most north-west angle of Broken Lot 11, Concession 4, Dowling Township, said monument being the eastern terminus of the said line.

SAVING AND EXCEPTING thereout and therefrom Burnt Island and any other islands or islets which have been alienated from the Crown.

ALSO RESERVING thereout and therefrom the flooding rights up to elevation 95, as referred to a bench mark at elevation 100, being top of a three foot high boulder on a rock outcrop on the northerly side of the dam at the outlet of Windy Lake.

PARCEL "B"

ALL AND SINGULAR that certain parcel or tract of land situate, lying and being in the Township of Cascaden in the District of Sudbury and being composed of land lying under the water of the original bed of Windy Lake as shown by the original survey of the said township, adjacent to the said township, together with Tom Island lying within the following described limits, containing an area of 938 acres more or less and which may be more particularly described as follows:

BEING COMPOSED OF all that portion of the original bed of Windy Lake as shown by the original survey of the said Township of Cascaden lying west of the northerly production of the east boundary of the said township and north of a line drawn across the said lake on a general bearing of north 61° east from a point in the said Township of Cascaden to a point in Dowling Township, the said line may be more particularly located as follows:

COMMENCING at a Department of Mines monument planted on the line marking the west limit of Broken Lot 2 in the 4th Concession of the said Township of Cascaden, near the high water mark of Windy Lake to witness the south-west angle of said Broken Lot 2 the said monument being the western terminus of the said line;

THENCE north 61° east across Windy Lake a distance of 183.2 chains more or less to a Department of Mines monument planted on the line between Concessions 4 and 5, Dowling Township, near the high water mark of Windy Lake to witness the most north-west angle of Broken Lot 11, Concession 4, Dowling Township, said monument being the eastern terminus of the said line.

SAVING AND EXCEPTING thereout and therefrom Duck, Pine and Leask Islands and any other islands or islets which have been alienated from the Crown.

ALSO RESERVING thereout and therefrom the flooding rights up to elevation 95, as referred to a bench mark at elevation 100, being top of a three foot high boulder on a rock outcrop on the northerly side of the dam at the outlet of Windy Lake.

TERMS OF LEASE

Annual rental — $10.00 an acre payable in advance.

If a sum averaging $5.00 or less an acre is expended in drilling or underground development work, such expenditure may be credited against rental payable in any year following the first anniversary date of the lease provided proof of such expenditure is proven to the satisfaction of the Minister of Mines, and any amount so expended in excess of $5.00 an acre may be credited against rental payable in the following year or years. In no case shall more than $5.00 an acre be so credited in any one year, and the expenditures shall not include cost of equipment, machinery or plant used in or for the purpose of drilling or underground work.

If a producing mine is established, the annual rental may be reduced to $1.00 an acre on the first anniversary date of the lease following the date upon which production commenced, and thereafter no credit for expenditure against rental shall be allowed.

The lease shall be subject to the rights and privileges granted under License of Occupation No. 6134 by the Minister of Lands and Forests dated November 13th, 1943.

Term — twenty-one years, renewable in accordance with regulations.

A specimen form of lease, plan of the areas, regulations under which tenders are called and License of Occupation No. 6134 may be obtained from or inspected at the Department of Mines, Parliament Buildings, Toronto. Magnetic and electro-magnetic survey plans may also be obtained on payment of $10.00.

TENDERS

A separate tender shall be submitted for each parcel.

Tenders shall be in plain envelopes addressed to the Deputy Minister of Mines, Toronto, and be plainly marked on the outside — Tender for Parcel "A", Windy Lake or Tender for Parcel "B", Windy Lake — as the case may be.

A certified cheque payable to the Treasurer of Ontario for twenty-five per cent of the price offered shall accompany each tender; balance of the tender-price and the first year's rental of the lease shall be due and payable within ten days of formal acceptance. Failure to make payment within such time may cause forfeiture to the Crown of any partial payment made.

Tenders will be accepted until 5:00 p.m. on January 15th, 1954.

The highest or any tender not necessarily accepted.

H. C. RICKABY,
DEPUTY MINISTER OF MINES.

United Asbestos Confirms Green Light on ASR Deal

President A. B. Davidson of United Asbestos Corp. tells shareholders agreement with Lake Asbestos of Quebec Ltd. has been approved by which the latter agreed to equip United's properties and place the same on an operating basis.

Mr. Davidson notes, however, that the major expenditures for performance of its other obligations are not required of Lake Asbestos until a satisfactory Quebec order-in-council is passed which will authorize the draining of Black Lake, construction of dams, etc., in accordance with the plans and specifications filed by United. An order-in-council is necessary before execution of the drainage works.

"It will be recalled that on Feb. 26 the Quebec Government passed special legislation whereby the draining of Black Lake and expropriation of private properties necessary to bring the mine into production may be carried out—subject to the filing of plans and specifications and the passing of the same," Mr. Davidson continued.

"On Nov. 17 detailed plans, specifications, surveys, etc., for the draining of Black Lake, including dive.sion channels, new location of highways, bridges, etc., were officially filed with the Quebec Government and an order-in-council authorizing the work was applied for by your company. The engineering and other technical staff, as well as the legal advisors for both United and American Smelting & Refining made themselves available and worked jointly to complete as rapidly as was possible this formidable and detailed engineering task. The close co-operation of the two staffs assured the plans and the application for the order-in-council as filed being in form satisfactory for both American Smelting & Refining Co. and United.

"The actual passing of the order-in-council in accordance with the plans as filed should see early commencement of the various operations which will be a part of the bringing of United's valuable asbestos deposits into production."

Lorado's Rich Ore Body Ups Treasury to $400,000

A new uranium ore body, which includes high grade "pitch" sections is being outlined in diamond drilling by Lorado Uranium Mines on its main property about five miles southeast of Eldorado's Ace mine at Beaverlodge. This is in a section about 600 ft. north of the original area where encouragement was secured in diamond drilling earlier and on which shaft sinking plans were proposed.

The new area has been outlined by three drill holes which all show red alteration—the first time seen on the property—and which have all returned promising uranium assays. Management estimates that the three drill holes have shown a length of 280 ft. averaging $64 a ton across an average width of 14 ft., with the ore body "open" to the north.

Most southerly hole in the new ore section was No. 25A which gave 16 ft. of red alteration averaging 0.227% or $32.92 a ton. A hole, 27A was drilled 50 ft. to the north with the drill moved 100 ft. to the east. This hole gave only low values and cut the zone too shallow to make a test in depth. Hole 29A, roughly 160 ft. north of No. 25A, was then drilled and cut 16 ft. of red alteration which averaged 0.89% or $129.05 including 2.0 ft. which ran 6.47%. Hole A31 drilled 100 ft. north of 29A again, secured 12 ft. of red alteration with the initial 10 ft. for which assays are available averaging $21.75 per ton. The wire from the property reporting this assay also said there were two other sections in the hole to be assayed.

With strong public demand created for the stock by these drilling results, options outstanding on shares at 35 cents were exercised and an additional 200,000 shares were taken up at 50 cents a share. An additional 100,000 shares are reported under option at 65 cents a share. The company has a three million share capital.

Early this week the company had $400,000 in cash or equivalent plus 15,000 shares of New Delhi Mines and 150,000 shares of Bonville.

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Chimo-Viol'mac Test New Finds

Eight radioactive discoveries have been made on the property of Uranium Ridge Mines which was formed jointly by Chimo Gold Mines and Violamac Mines to carry on development of properties extending for two miles along the north shore of Lake Athabasca in the Cypress River sector.

The new company holds 10 claims outright and 21 adjoining claims are under option. Diamond drilling is to be carried out this winter.

Chemical assays from four of the showings returned values ranging from $23.20 to $352. Visible pitchblende has been found in three showings. No visible pitchblende was noted in any of the others, but chemical analyses confirmed its presence in all others except one.

Both Chimo — with approximately $1.7 million of current assets in its treasury — and Violamac with substantial profits realized on British Columbia mining, are in a strong position to finance work on Uranium Ridge Mines.

Violamac's wholly owned subsidiary in British Columbia had income from metal sales of $1,292,221 in the 10 months ended Oct. 31, compared with $650,048 in the like period of last year. Operating profits for the 10 months were $551,264 compared with $343,751.

Clix Drills at Pato L. In Beaverlodge Camp

Drilling has now been started at Pato Lake, Beaverlodge, by Clix Athabasca Uranium Mines.

Correlation of numerous showings and drill results, obtained in initial tests made along a 600-ft. strike length of the northwest striking Grif Lake-Gancho Lake fault structure, is now being made. Early examination suggests the Gancho valley as a promising area for further exploration work.

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Algom Gets Some High Gold Values At Quirke Lake

The securing of some exceptionally high gold values on the Quirke Lake property of Algom Uranium Mines is confirmed by a company official but the gold values are apparently not sufficiently widespread to be regarded as more than erratics at the present time.

Two samples assayed returned up to several ounces of gold per ton across 4- and 5-ft. widths of drill core. However, the majority fell in the range between trace and 0.06 oz. gold per ton. The exceptionally high values secured are being considered for the moment as erratics and much more sampling for gold is planned before an average gold content for the Quirke Lake deposits is announced.

A 4,000-ft. section has now been close-interval drilled, which the management feels is of all ore grade standards although a section to the west is somewhat lower grade than the more easterly section. Approximately 1,500 ft. east of the 4,000-ft. section, ore has been cut in what is believed to be the extension, the company announces. Drilling will now proceed to close the 1,500-ft. gap.

ANNOUNCEMENT

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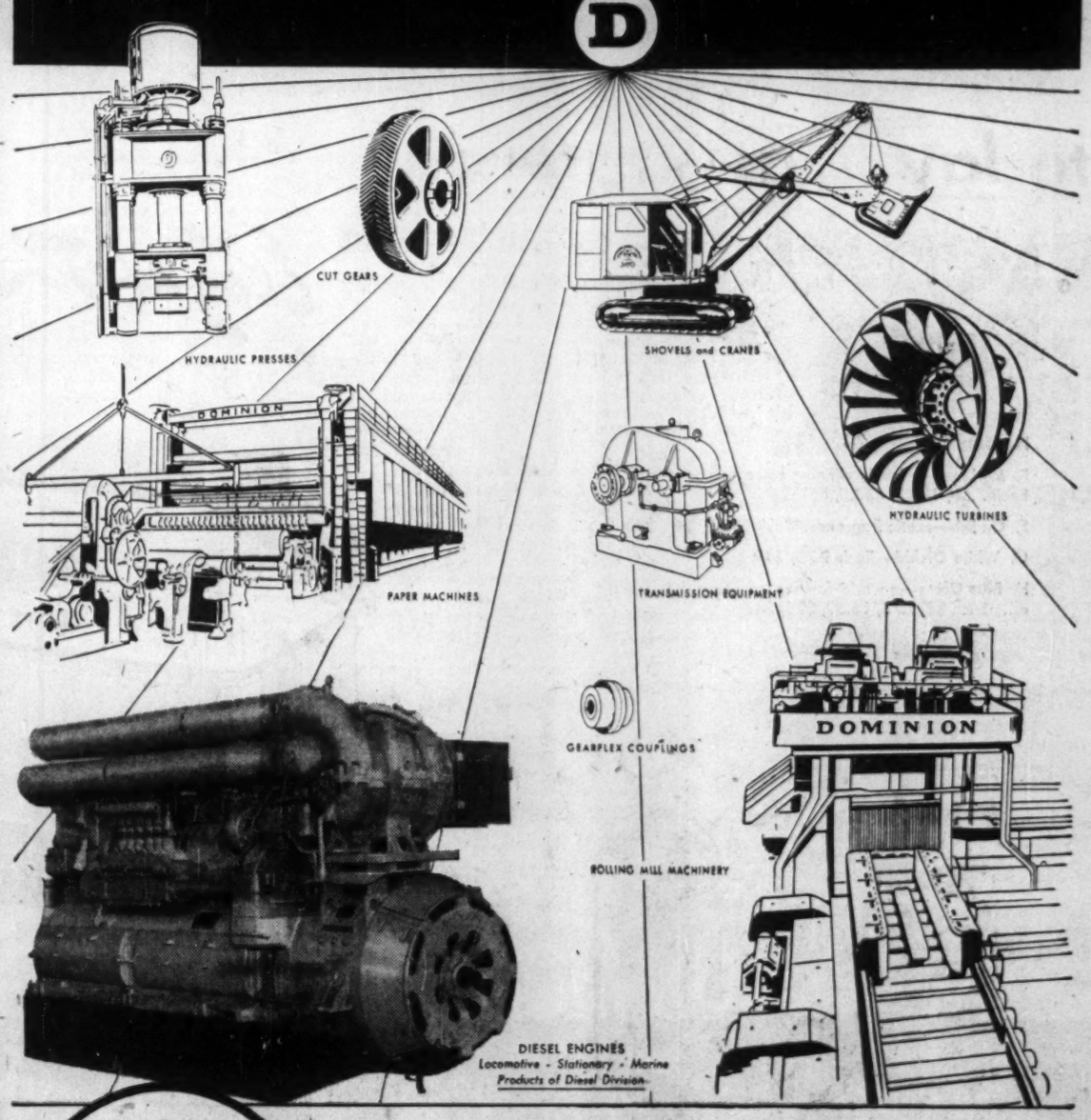

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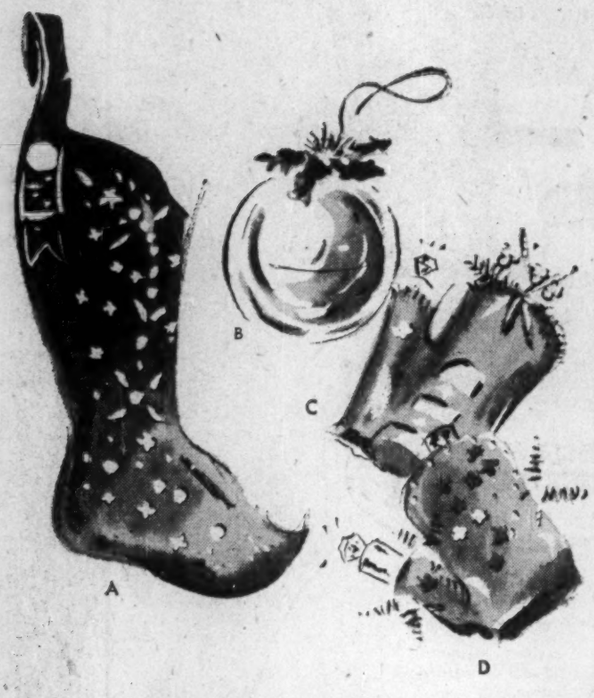


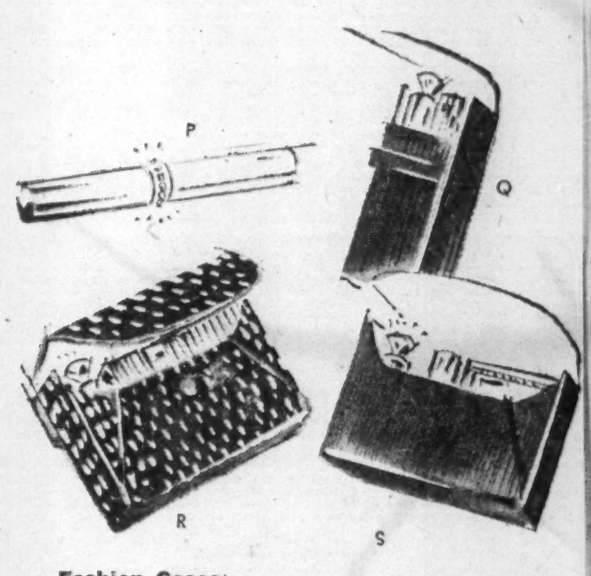
Elizabeth Arden 'Novelties'

A. Elegant Cerise Velvet Stocking containing My Love Perfume, My Love Eau de France and My Love Dusting Powder. Complete $38

B. Glitter Ball—containing 1 dram each of My Love, On Dit and Blue Grass Perfumes. Complete $6

C. My Love Velvet Glove containing My Love Eau de France and My Love Perfumair. Complete $16

D. Blue Grass Felt Glove containing Blue Grass Flower Mist and Blue Grass Perfumair. Complete $5



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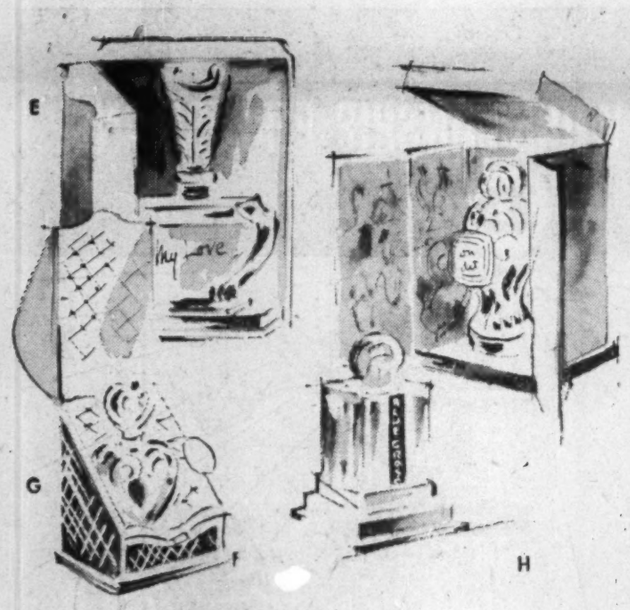
P. Jewelled Duet Lipstick—(Lipstick Shades: Pink Perfection and Pink Perfection Plus, Striking and Paradise Pink, Victory Red and Sky Blue Pink, Desert Pink and Paradise Pink). Each $3

Q. Purser—Perfumair and automatic lipstick in attractive case. Complete $6

R. Black and Gold Brocade Case—(Compact, automatic lipstick, change purse, perfumair). Complete $15

S. Black Faille lined with red satin. (Compact, lipstick, perfumair). Complete 12.50



Perfumes

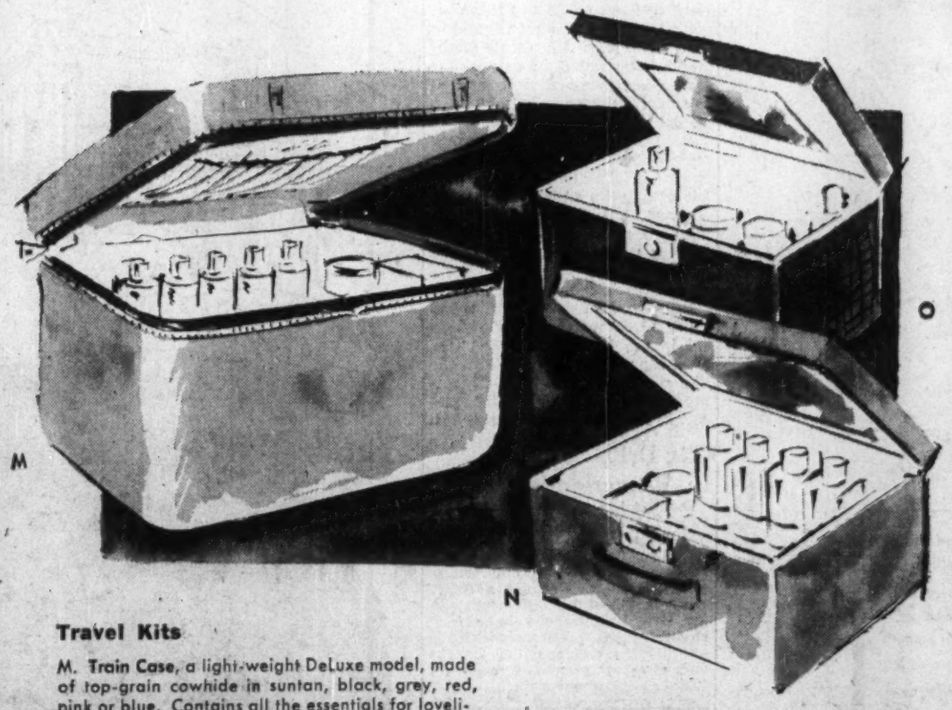
E. **My Love**—a lovely clinging essence. Each 7.50, 14.50, 43.25, $87

F. **On Dit**—exotic fragrance. Each 28.50, $47, $80

G. **White Orchid**—Each 9.75, $19

H. **Blue Grass**—a world-famous fragrance, beloved by all. Each $6, 9.75, 16.50, $26, $42

Elizabeth Arden



Travel Kits

M. **Train Case**, a light-weight DeLuxe model, made of top-grain cowhide in suntan, black, grey, red, pink or blue. Contains all the essentials for loveliness, plenty of space for clothing, PLUS a good-looking zipper suedine cover. Complete $150

N. Weekend Travel Case in simulated rawhide or simulated alligator in red or brown—contains all the essentials for loveliness plus space for nightie, slippers, hairbrush, etcetera. Complete 29.50

O. Simulated Leather in red or green or Simulated Rawhide in red or green, both containing essentials for loveliness. Each $15

Other Travel Cases, not illustrated, beautifully styled in genuine leather. Each $55, $65, $125 and $175

Elizabeth Arden Daytime Bags

T. **Famous Slide-Lock Bag** in black, brown or navy lizard grain calf. Each 61.50

Above bag complete with fittings: Rope design compact and lipstick. Complete 69.50

U. **New Box-type Bag**—in black, brown, navy or red calf. OR in black, brown, navy or red lizard grain calf. Each $53. Above bag with star compact and lipstick fittings. Complete 59.50

Bath Luxuries

J. **Blue Grass Fluffy Milk Bath**—bubbly as champagne, soothing to the skin plus the delightful fragrance of Blue Grass. Each 8.50

K. **My Love Dusting Powder**—a large lacy luxury box. Each $8

L. **On Dit Velva Liquid**—a luxurious friction rub for after the bath, fragrant with On Dit. Each $9, $15

Gift Sets

V. **Blue Grass** (Bath Salts and Dusting Powder). Set 8.25

W. **My Love** (Dusting Powder and Soap). Set 5.50

X. **Four Fragrances in Flower Mist**. Set 3.50 (Blue Grass, My Love, On Dit, It's You)

Y. **My Love** (Flower Mist and Soap). Set 7.25

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The Financial Post

Vol. XLVII | Twenty Cents an issue, Six Dollars a Year | Publication Office: Toronto, December 5, 1953 | Member of Audit Bureau of Circulations | No. 49

What Will Spark The Next Boom in Oil?

New Fields and Crude Pipelines Gave Many Stocks Early Boost; Gas Line May Be Shot in the Arm

By GORDON M. GRANT

A real believer in western oil, Joe Dollar has had an exciting time in oil stocks these last few years.

He has been sitting on the edge of his chair watching one of the world's most spectacular oil developments, since Western Canada emerged with Leduc, Feb. 13, 1947. And he's been finding it a profitable drama to watch.

Blessed with native shrewdness, modest funds and a nose for news—essential ingredients for the successful speculator—Joe has been able to grasp many profit-making opportunities over this last six years. He still is thankful he "got into the game fairly early."

Things have been rough this last year, Joe admits. But he's busy now purging his list, watching the market trend closely, and keeping cash for heavier commitments when the time's right.

Just because there's been a troublesome period of oil market "jitters," Joe doesn't take a pessimistic attitude. "After all, we never had it so good for five years," he says. "We just had to expect a market reaction before things could go ahead again. And recent discoveries—or a new gas pipeline—could signal the turn in the market."

Looking back over the post-Leduc period, Joe Dollar recalls these as among his big money-making opportunities:

—The chance to buy Imperial Oil stock and shares of western oil independents at bargain counter prices for more than a year after Leduc was discovered.

—Ability to purchase new issues, such as Interprovincial Pipe Line convertible debentures, Trans-Mountain common shares, various oil shares and debentures at original low issue prices.

—Company mergers which were almost invariably good for market upswings in the hey day of the western oil market boom.

—New oil discoveries with their subsequent upturns in share prices.

—Early knowledge of development and financing deals—or deals involving purchase of semi-proven acreage at Crown auction.

Joe didn't get in on all the good things. Nobody did. But he did participate in quite a few. And that was enough to make good money along with his general "playing the market."

So many of the good things were quickly oversubscribed that he couldn't get in on them all and success on new issues wasn't as great as might be thought. When news of oil discoveries wasn't learned too quickly, money often had to be made on the basis of stepout or development drilling. If there is another boom resurgence, Joe Dollar and his friends will be a lot wiser about both the money-making opportunties—and the pitfalls.

The Bargains of 1947

Joe rubs his eyes when he looks back at the stock quotations on the frosty Friday Leduc was discovered. Like many others, he didn't jump in and buy Imperial at $14.75 on Feb. 13, 1947, just because a first light crude well had been brought in on the prairies.

After all, didn't Imperial have 27 million shares issued? Surely one oil well couldn't mean much difference to a company like that? When Imperial discovered Redwater the following year, Joe was still able to buy Imperial at a price which permitted him to double his money within the next few years.

Shares of western oil independents found little interest even after the discovery of Leduc. Two weeks after Leduc's discovery, Home Oil had risen 20c to $3.45 a share, Calgary & Edmonton had firmed a nickel to $2.25 while Anglo-Canadian had firmed 15c to $1.35. Pacific Petroleums which had sold at $1.11 on Feb. 13 didn't even trade on the Toronto Stock Exchange late in the month.

But as months passed, significance of oil in Western Canada began to press itself home on Joe and other followers of western oil. On a bitterly cold day shortly after discovery of Leduc, Jim Lowery and Marsh Porter of Oil had closed deals for outlying Leduc quarters which were later to prove productive.

Then with the discovery of Redwater and Crown auctions, companies like Home, Anglo-Canadian, Calgary & Edmonton, Pacific Petroleums and Royalite began to participate successfully in development of new oil riches there. The great postwar oil boom was on its way.

Frank and George McMahon, chairman and president of Pacific Petroleums, saw ultra-rich Redwater acreage which could be picked up at Alberta sales of Crown rights as a golden opportunity. Sums required to make large-scale purchases were substantial indeed and projects like this took real courage; there was considerable criticism of "unwarranted prices" being paid to the Alberta Government for Redwater Petroleum rights.

But the Pacific Petroleums group had sound technical advice—and strong U. S. financial backing—for their program. Success in participation in over 70 wells at Redwater permitted the company and its associates to expand in other directions, has now led to acquisition of major gas interests in the Peace River country which appear of great potential worth.

An accompanying chart tells the market reaction to the results attending Pacific Petroleums program.

Promotional Activities

The more the boom boiled, the broader and more varied became the oil promotion. Much of the promotion was commendable. Part was unsavory. The worst expression of the boom was boiler room selling of overcapitalized stocks which hinted at rich Leduc-like possibilities for neighboring heavy crude fields where output per well was bound to be small.

Conversely, there was very good promotion. Perhaps the most striking came from Tanner & Co., Calgary, Cochran Murray & Co., Toronto, and Greenshields & Co., Montreal. E. H. Tanner and "Shrimp" Cochran shortly after Redwater's discovery decided that altogether too big a profit was going to promoters on the vast majority of new oil promotions. They decided to do something about it.

With an IDA bond background behind them, the three houses decided that they should partner with Royalite Oil Co. in acquisition of some of the Redwater oil rights being made available by the Alberta Government. And they permitted their clients to participate on a basis which meant an extremely small profit loading for sponsoring houses.

Several issues, including Triad and Quadra Leases, were successfully promoted in this way. The various companies were eventually merged in Triad Oil Co. in which Anglo-Iranian Oil Co. purchased a 23% interest last month.

The oil boom was a "big-money play" and numerous other old line financial houses began to participate. George R. Gardiner, Toronto financier, and member of the Toronto Stock Exchange, with his associates, played a noteworthy part in sponsorship of a number of the original companies going into the Calvan Consolidated amalgamation.

In the west, newspaperman Max Bell played a unique role in development of a bevy of oil companies which made him the envy of other less agile individuals in the western oil business.

Most of the company funds for financing the boom came through sale of shares and convertible debentures to the public (except for major oil companies) but there was one notable exception—Western Leaseholds.

This company, formed back in 1944, and owned privately, held a large acreage spread on the Alberta prairie. When Redwater was discovered, Western Leaseholds turned out to own several thousand acres of the best oil lands found in Canada up to that time. Subsequent development of these holdings is reputed to have made a multi-millionaire of President Eric L. Harvie, Calgary lawyer.

From 25c to $10

One of Joe Dollar's most fortunate investments, however, didn't have anything to do with stock promotion but with the foresight and deal-making genius of R. A. Brown Jr., president of Federated Petroleums. The market rise in Federated shares was amazing—from the 25c level to well above the $10 mark at one time.

Right after the discovery of Leduc and Redwater, Imperial Oil realized the vast sums which would be required to realize on these great new production possibilities. More cash would be needed.

A modest-sized company in those days, Federated Petroleums bought 81% of the outstanding shares of Foothills Oil & Gas Co., a big Turner Valley producer, from Imperial Oil in November, 1949. Then, in the following June, Federated acquired the remaining interests of Imperial Oil in Turner Valley involving 28 oil wells and six gas wells.

Next, in November, 1950, Federated bought out all Pacific Petroleums interests in Turner Valley. Bank borrowing permitted these huge deals. Federated then went on to acquire a 25.6% interest in Home Oil Co., and to complete a deal whereby Frobisher Ltd. agreed to put up over $8 million for exploration of lands held by Federated in the Williston Basin.

Federated, which had an excess of current liabilities over current assets of over $6.5 millions, finally sold a million shares to net the treasury $9,142,584 in June, 1952. At the beginning of 1948, Federated had working capital of only $154,772 while net profit in 1948 was only $68,772. Today Federated is one of the largest among independent oil companies.

Oil speculators all like to get in on a small oil company which makes a new strike on a large acreage spread. That's where stock market "leverage" is usually greatest. But very few of such developments occurred in the present oil boom despite the large number of strikes made.

Some of the C. C. Cross companies such as Globe Oil, and Leduc West, (now merged into Trans-Empire) of course, did build up quite substantial Leduc production as did New Continental Oil. But these were the exceptions rather than the rule.

Part of the lack of a "rags-to-riches" experience was due to the fact that most companies tried to spread risks by taking small participations in a large number of worthwhile projects.

One small-time oil operator found his oil the hard way—but, eventually saw two of his issues pay off on the stock market.

Basil O. Jones, Calgary and Toronto oil operator, achieved fame for his persistence in the search for wildcat oil both before and after Leduc.

Nobody drilled so many wells and had so little luck—so the story went. Years were spent raising money for his Homestead and Ranchmen's companies without lady luck giving him the nod. Pan Western, a new company formed, enjoyed but little better success with its shares selling down to 9c in 1949.

But "B. O." finally had a real turn of luck. A newspaperman recalls how on a motor trip an Imperial Oil official was told of this persistent but unlucky oil man. The Imperial man was interested. It so happened that at the time Imperial was finding it advantageous to farm out valuable fringe areas of the Leduc field for development by other experienced operators. Shortly after, Pan Western secured an Imperial farmout and B. O. found his first oil.

Success seemed contagious. Western Homestead Oils, another B. O. Jones sponsored company, partnered with North Canadian Oils to discover oil at Armena in 1951, two years after the first oil was secured at Leduc. Approximately a score of producing wells are operated in that area today. Oil was discovered again later at Hamilton Lake and Baxter Lake.

Joe Dollar was particularly interested in "have-nothing" companies which found oil, made money in both Pan Western and Western Homestead. He wasn't quite so lucky with Barons Oil which did find production in 1950 but which nevertheless proved quite a market disappointment when productive area was found of limited extent.

When interest began to mount in gas, Joe Dollar began to survey this field. There weren't too many issues in the purely gas category. Peace River Natural Gas interested him because he had stock in Pacific Petroleums and was strongly appreciative of this company's sponsorship and the chance of Peace River gas export via Westcoast Transmission.

But Joe wanted to get into gas in Southern Alberta and became interested in Britalta Petroleums. This company's shares sold on the over-the-counter market at about $1.25 a share when the company launched initial exploratory activity in British Columbia. This first endeavor was not successful but in 1951, Britalta established the large-scale Many Islands gas field in Southern Alberta in association with Deep Rock Oils.

Not long after the Many Islands development, Britalta's Winchell Coulee acreage took on interest. Canadian Delhi undertook drilling on a farmout arrangement and for a time it appeared that a rich oil strike had been made in the Madison below 10,000 ft. However, further testing failed to confirm the oil strike but the well did establish an important wet gas zone in the Cardium at a shallow horizon. Britalta sold as high as $10.25 this year and Joe made money on this one.

Not so many months after Leduc, when even Canadians weren't getting excited marketwise about oil, substantial American money moved into Canadian oil stocks. U. S. investors bought into old line companies such as Calgary & Edmonton, Anglo-Canadian, Pacific Petroleums—companies which at that time had little or no interest in Leduc.

New York brokers advised U. S. clients to switch from low price U. S. "losers" into cheap Canadian oils. Losses could be established for tax purposes on U. S. sales. Many Canadians knew about it at the time—The Financial Post reported the development—and some people here may have thought the Americans should perhaps have their heads read.

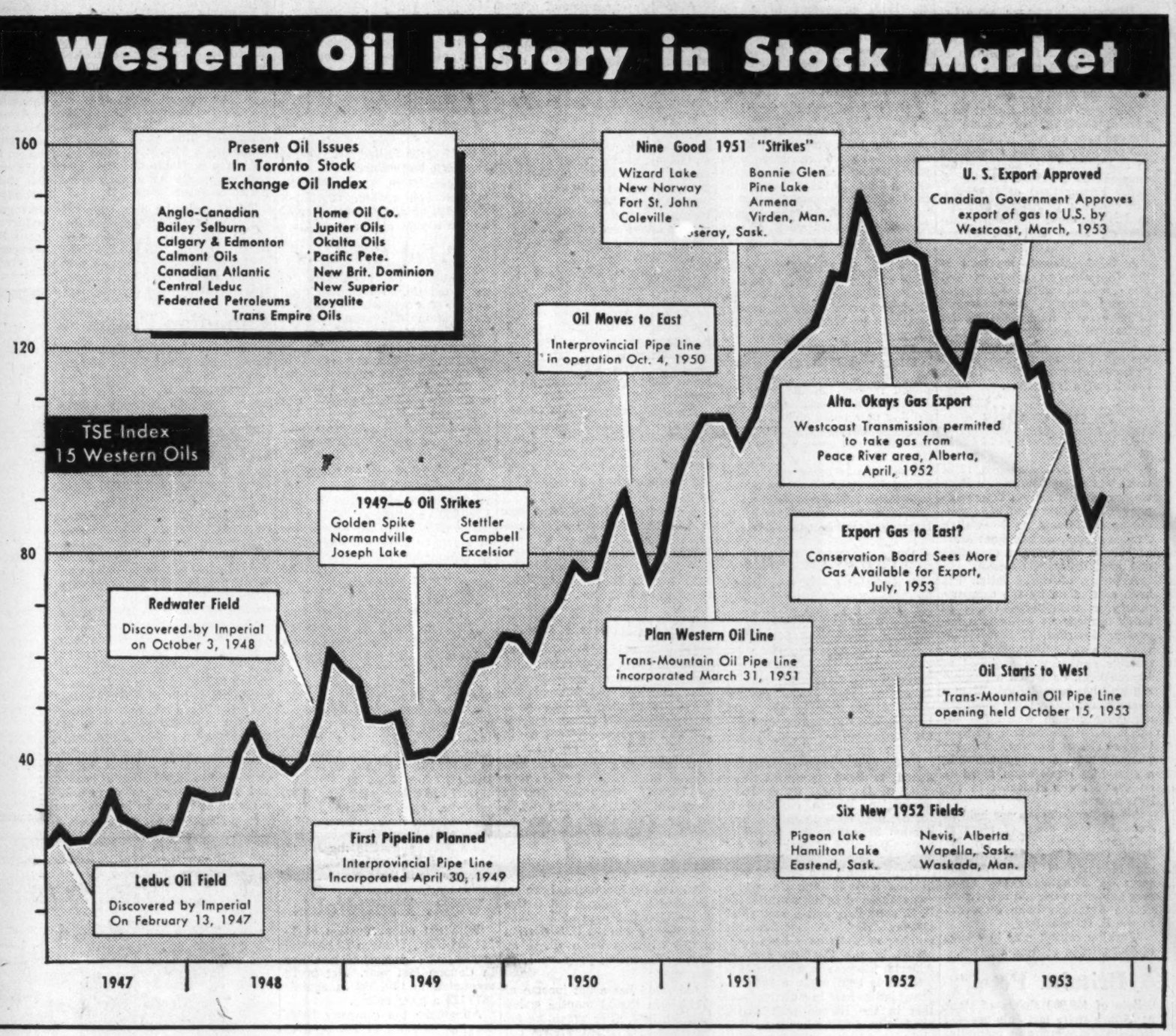
But the Americans had a greater experience with oil than the average Canadian. As the charts below show, those early investments in Canadian oil really did pay off. The established Canadian oil industry was able to rise to new possibilities and to mark up substantial growth.

Joe Dollar sees further longterm growth ahead for Canadian oil and money-making opportunities along the way.

He thinks investors have still got lots of money for western oil.

But, says Joe Dollar, with inflation halted, the oil investor may be seeking and expecting just a little more for his dollars than in the years just past.

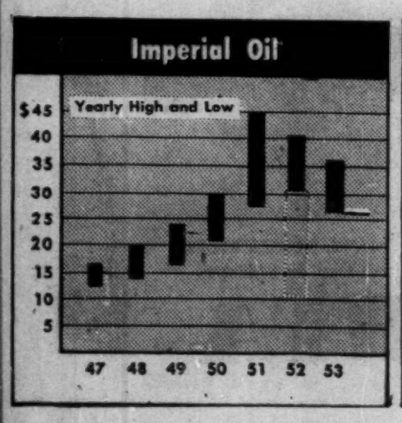
Western Oil History in Stock Market

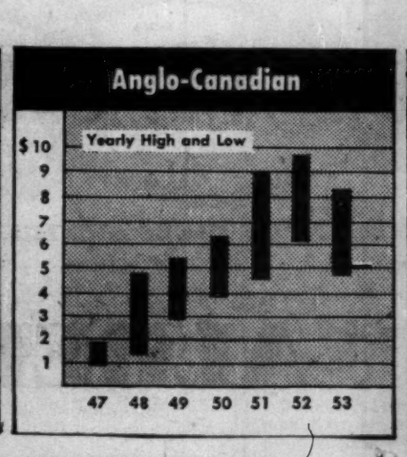


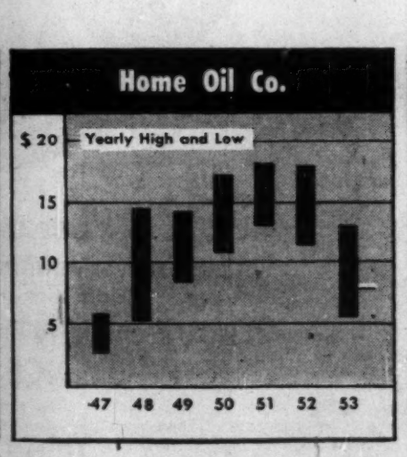
The Key Oil Statistics

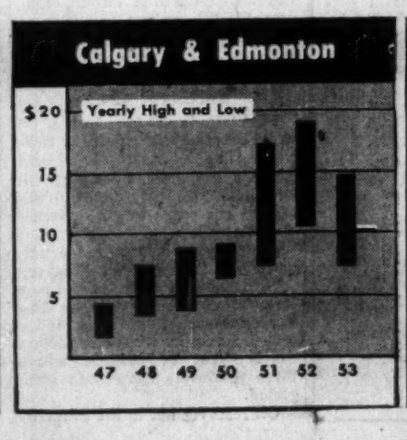
	October 1953	February 1947
No. of western oils on Toronto Exchange	125	33
Total value of TSE western oils	$605,471,025	$45,021,275
No. of refining issues on Toronto Exchange	19	19
Total value of TSE refining issues	$2,727,914,185	$793,566,648
Alberta oil output in barrels daily	*251,900	18,030
Western oil reserves, barrels	2,000,000,000	30,000,000

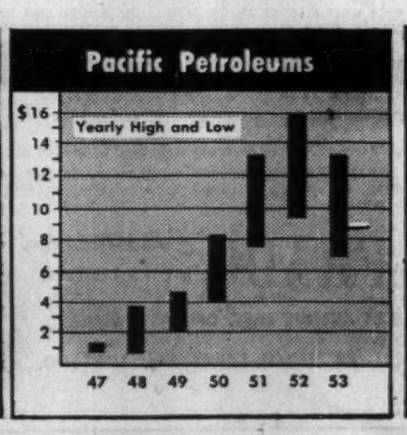
*December, 1953, market quota.

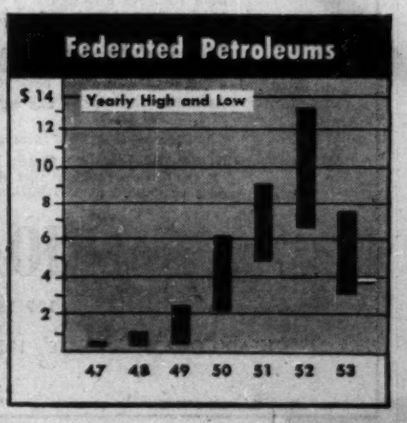












THE OIL COMPANIES

Here's Their Record of Financing, Drilling, Production

Bailey Selburn

Gross revenues of $5,163,822 were shown by Bailey Selburn Oil & Gas and subsidiaries in the 12 months ended Aug. 31, 1953. Net earnings on a consolidated basis amounted to $1,204,944 before depreciation of equipment, depletion of reserves and unproductive exploration costs which resulted in a loss of $57,023 being shown.

Depreciation was written off at the rate of 30% — the maximum allowed — and although $209,000 was written off for depletion of producing wells, estimated oil reserves rose by one million bbls. during the year.

A strong working capital position of $2,685,700 was shown by the company on Aug. 31, 1953, and the company also had investment in and advances to partly-owned subsidiaries (Trident Drilling & Selby Exploration) of $1,484,564. The company now holds interests in 2,286,892 acres in western Canada oil areas and the United States.

A third interest was held in the Delburne oil discovery and two step-out wells which also proved successful. A net interest of 700 acres is held offsetting the productive area.

Development of properties in the Joffre, Delburne areas, in the Camrose area and later in the Stettler area is planned.

Scurry Oils

An average interest of 34.4% in 35 producing wells was reported by Scurry Oils last month, 12 of these wells being located at Redwater and 13 at Malmo. (The company counts five dual zone producers at Malmo as 10 wells). August production had a net value of $25,431 after direct operating and administrative expenses.

A policy of consolidation has been carried on by the company this year with large tracts of lands farmed out to major companies. However, in partnership with Calvan Consolidated, a quarter section was acquired at Bonnie Glen on which a producing well has been drilled. Then a quarter section was also acquired adjoining one in which 5% interest is held, offsetting production at New Norway. Present work includes a third interest in a slim hole exploration program on 49,000 acres of leases in the Provost area.

Altogether interests are held in some 1,784,000 acres of reservations and leases, mainly in Alberta. One of the most interesting holdings is over 1,200,000 acres in Alberta's Peace River area extending from 30 miles west of the Sturgeon Lake discovery to the B. C. boundary.

Working capital was in excess of $1.2 million at Aug. 31, 1953.

Britalta Pete.

Sale of 100,000 shares of stock at $4.75 a share last July assisted Britalta Petroleums in maintaining its program of delineation of gas resources.

Further drilling with Deep Rock Oil Corp. has fairly well completed outlining of the large Many Island Lake gas area of southeast Alberta with close to a dozen successful wells now completed in this area. Gross recoverable reserves of the field are estimated at 540 billion cubic ft.

While the company was disappointed not to secure commercial oil production from the Madison limestone in a well drilled by Canadian Delhi at Winchell Coulee, nevertheless a flow of 2.5 million cubic ft. daily of gas was encountered in the Cardium sands at higher elevation.

Drilling was carried out in association with Roxana on a Royalite farmout in the Eagle Butte-Cyprus Hills area in the latter part of this year, and while gas flow of 20 million cubic ft. was at one time reported, initial venture was abandoned.

Arrangements were made late in 1952 for exploration of the company' s 1,060,000 acres in central Saskatchewan.

Calvan Cons.

An interest was held in 92 producing oil wells by Calvan Consolidated Oil & Gas Co. at Sept. 30, 1953, equivalent to a net interest of 31.5 wells. In addition, an interest was held in 16 gas wells representing a net interest of 1.37 wells. Besides these interests, Calvan also holds a 20% interest in 136 oil wells in Illinois undergoing a secondary recovery program through a subsidiary.

Production revenue of the company has been running approximately $145,000 monthly with total income for three months ended Sept. 30, 1953, amounting to $582,700 as against expenditures of $297,400 in this period. Expenditures mentioned do not include capital items and are before audit.

On Sept. 30, Calvan was interested in 1,180,743 gross acres of leases representing a net interest of 375,972 acres while an interest was held in 5,183,697 gross acres of reservations representing a net interest of 1,423,273 acres.

Interests of 15% and 20% have been held in two producers completed recently in the Hamilton Lake area of Alberta with further drilling now being done.

A 25% interest is also held in the Amurex-Calvan-Three Hills Creek No. 3-1 driller, 45% of whose costs is being contributed by neighboring companies as dry hole money. The company is also interested in other drillers in the Homeglen and Bargrave areas.

Trans-Era Oils

A profit of $14,038 was shown by Trans-Era Oils in the year ended March 31, 1953, while a subsidiary had a $10,862 surplus. Trans-Era Petroleum Inc., wholly-owned subsidiary, had income from drilling operations of $1,298,864 from August 31, 1952, to March 31, 1953, while $291,168 was realized from crude sales. Drilling costs amounted to $967,938 while depreciation and depletion aggregated $254,606.

Reserves and daily-revenue are stated to have increased since close of the fiscal year. Daily production, though curtailed to 702 net bbls. daily in July by production allocation was stated to have a potential of over 1,000 net bbls. per day.

Trans-Era holds a 50% interest in Double-A Drilling Co. which owns three drill rigs while the U. S. subsidiary has a further 10 drilling rigs. A considerable number of wells have been completed in the Chauvin area of Alberta this year in which a 50% interest is held while a 30% interest is also held in a quarter section in the Namao pool where productive drilling has been carried on. A substantial interest is held in Stoney Lake Oils which has been testing acreage in the Moncton Pass area of Northern British Columbia.

Alberta Pacific

Alberta Pacific Consolidated Oils enjoys a 46.4% interest in the McConset-Leduc Syndicate with its five producing oil wells in the Leduc field and holds an additional interest through its 39.2% stake in Sunset Oils. A net profit of $26,535 was recorded in 1952. Working capital starting this year was $436,598 continuing the progressive improvement of recent years.

Investment portfolio at last report included 3,000 shares of Anglo-Canadian Oil Co., 6,500 shares of Home Oil and 3,000 shares of Okalta.

Chief development activity has been the result of a policy of farming out holdings in recent years. A ninth interest is held in 19,200 acres on the Sullivan Creek area where Canadian Delhi Oil Co. deepened an old well and capped it as a gasser in 1951. The company has ground in many areas including Drumheller, Craigmyle and Hanna.

Royalite Oil

A further expansion of operations is being implemented by Royalite Oil Co. with a new 5,000 bbls. a day refinery installed six miles from Kamloops, B.C., next to the Trans Mountain Pipe Line. A catalytic cracking unit is also scheduled to be placed in operation, probably before the end of 1954.

At Coleville, where Royalite has an interest of close to 50% in field output, a cracking plant with a daily capacity of 5,000 bbls. a day was also built in 1953. All drilling operations are now being carried on under contract as the company's drilling department was sold in Oct., 1952.

Through a wholly-owned subsidiary, Royalite Oil Inc., interests were acquired this year in proven and semi-proven oil and gas lands on the gulf coast of Louisiana, U. S. An active drilling program is to be carried out on these lands which comprise about 5,000 acres in two equal tracts.

Royalite arranged sale of $8,078,000 5% series A debentures early in 1953. Earnings in 1952 after all charges had amounted to $827,463 or 28c a share and working capital at the beginning of the year was $3,221,937.

A highlight of 1953 operations was discovery of light oil at Eyremore about 17 miles west of Brooks in south central Alberta in association with Triad Oil Co., with Royalite holding a 37½% interest in 5,440 acres.

Federated Pete.

Through the medium of two companies—Oil Well Operators, operating company for Federated and Home Oil, and Williston Oil & Gas—Federated Petroleums is participating in a broad exploration and development program in Canadian and U. S. oil areas.,

At Erskine, Home has a 25% interest in an 87½% interest held by Oilwell Operators in four successful Erskine wells while through Williston Oil & Gas Co., a 50% interest is held in two successful producers drilled on Bobjo lands in the Forget area of Saskatchewan.

A small production has been established by Williston Oil & Gas in the Glendive area of Montana and elsewhere in the U. S. portion of the Williston Basin where an active wildcatting program is in progress.

Federated has a net income of $171,539 in the 12 months ended June 30, 1953, after providing for depletion of $219,360, $79,374 depreciation and $35,805 amortization.

Starting 1953, Federated held 582,978 shares of Home Oil Co. representing a 25.6% interest.

Through sale of a million shares in 1952, Federated retired all bank indebtedness.

Calgary & Edmonton

Calgary & Edmonton Corp. has been one of the most consistent profit makers in the western oil business, showed a net profit of $468,434 or 19c a share in the year ended June 30, 1953, as against 12c a share a year earlier. Dividends totaling 10c a share have been paid each year since 1939.

Part of the increase in profits last year was attributable to gains on securities sold which amounted to $170,096 as against $45,206 a year earlier.

Gross production returns, options to lease, etc., were $96,840 higher at $1,186,511 last year. A participation interest in wells completed at Camrose plus somewhat larger returns from petroleum leases and options to lease mineral rights offset the normal decline in production from older wells and resulted in higher gross revenues.

With its policy of writing off a third of the cost of successful wells in the year completed, a third of the cost of productive wells completed in prior years together with entire cost of nonproductive wells in current year, development account had been reduced to $383,989 at June 30, 1953.

Of 19 wells drilled last year, 14 proved to be producers.

Balance sheet as at June 30, 1953 showed working capital of $1,427,762 as against just over $1 million a year earlier.

Triad Oil Co.

Highlight of operations of Triad Oil Co. in 1953 was completion of a deal whereby D'Arcy Exploration Co., wholly-owned subsidiary of Anglo-Iranian Oil Co. secured a 23% interest in the company through investment of $5 millions. This amount, added to Triad's net current assets of $2,460,656 at June 30, 1953, will place the company in a strong financial position for an expanded exploration and development program.

Under the agreement, D'Arcy purchased $875,000 4½% convertible notes of Triad at par and 1,750,000 shares at $2.37½ a share. Notes will be convertible at the same rates and mature on the same date as the presently outstanding 4½% convertible notes.

Additional notes and stock may be purchased by D'Arcy to Dec. 31, 1955, to bring its investment in Triad up to not less than a 50% interest in the share and loan capital of the company.

Net income from production for the six months ended May 31, 1953, amounted to $343,049 as compared with $328,084 for the like 1952 period. Estimated oil reserves at May 31, 1953, amounted to 12,737,385 net bbls. as against 11,834,667 net bbls. at Nov. 30, 1952. In addition to the May, 1953, reserves, approximately 320,000 bbls. of oil were estimated for three wells in which the company has a 50% interest in the Joseph Lake field. Bulk of the company's reserves are in the Redwater area.

West. Leaseholds

With net oil production of 1,524,754 bbls., Western Leaseholds was the sixth largest oil producer in Canada last year. Net profit amounted to $387,318 as against $675,172 a year before.

Altogether the company holds varying interests in 146 productive oil wells and several gas wells in Alberta and Saskatchewan and approximately 2.6 million acres in these two provinces and Manitoba.

Oil discoveries were made by the company and its associates during 1952-53 on the Sampson Indian Reserve and in the Jenner area, Alberta. Followup drilling resulted in five more producing wells while a number of wells were dry. Oil was also found on company lands in the Watt Lake area. Recently, drilling has been in progress in the Craig Lake and Duvernay areas.

Largest single source of production is the Redwater area where the company has an interest in 89 wells including 100% interest in 53 wells and a 50% interest in five wells.

Balance sheet as at Dec. 31, 1952, showed $2,260,429 current assets including $976,578 cash and government bonds as against current liabilities of $4,037,513. Current liabilities included $1,998,589 reserved for income taxes.

Souris Valley

While a net loss on operations of $115,842 was recorded by Souris Valley Oil Co. in the year ended April 30, 1953, income from producing wells was reported sufficient to cover operating and administrating expenses late in October. At that time, the company had approximately $700,000 working capital available for exploration and development.

Gross production from revenue after royalties from eight producing wells was reported at about $11,000 on basis of 4,700 bbls. marketed per month. Revenue from oil production secured from the Daily oil pool at Virden, Man., was $35,383, before royalties in the fiscal year ended April 30, 1953.

Banff Oil

Interests in 15 producing oil wells concentrated chiefly in Redwater, Leduc, Joseph Lake and Armena are held by Banff Oil which is also interested in six capped gas wells in six different western areas.

Features of 1953 were participations in the Acme oil discovery with Canadian Delhi Oil on a farmout of 8½ sections in this south-central Alberta area and a 15% interest in a quarter-section development at Erskine where three producers have been completed.

Oil reserves net to the company were estimated at June 30, 1953, at 1,511,900 bbls. not including the Acme discovery.

A profit of $105,437 before administrative expense and write-offs was shown in 1952 with a net loss of $34,247 after all charges. A strong net working capital position of $1,963,923 was shown at the beginning of the year.

Cdn. Devonian

Formerly a land holding and leasing concern only, Canadian Devonian Petroleums has lately shared in developing productive properties in Alberta and Oklahoma.

In the Joseph Lake field of Alberta the company has 12½% interest in four Viking oil wells completed this year, while in Oklahoma a 50% stake is held in 320 acres in Noble County. Two wet gas wells have been completed on these lands.

Tracts held by the company comprise over 900,000 acres located in Manitoba, Saskatchewan, North Dakota, Oklahoma and Michigan. A wholly owned subsidiary, Hawke Drilling Co., owns and operates three drilling rigs.

Canadian Prospect

Canadian Prospect Ltd. is a land holding company, owning acreage in Western Canada and northwestern U. S. Freehold leases are held covering 1,088,368 unproven acres in Manitoba, Illinois and North and South Dakota, while interests are held in Crown permits on some 230,000 acres in northeastern B. C. and in approximately 2,250,000 acres in North West Territories.

Company has small overriding royalties on about 915,000 acres of freehold leases in Saskatchewan and in Crown permits on 470,250 acres in that province and Manitoba; on 800 acres in the Redwater field containing 14 producing oil wells; on 20,000 acres at Lloydminster; and on 1,020 acres in Illinois on which are located nine oil producers.

A 12½% stock interest with option to purchase up to 45% has been obtained in an Alberta company holding a one half working interest in 40,000 gross acres of gas and/or oil rights in the Denhart area, 100% in a 40,000-acre reservation at St. Kilda being converted to 20,000 acres of leases and half interest in a permit covering 40,000 acres in B. C.

Canadian Prospect plans to conduct a limited amount of exploratory work and drilling on its land holdings, and to give and take farmouts on a limited scale.

Jet Oils

Amalgamation of Jet Oils Ltd., Rundle Oils and Ashmont Petroleums will be submitted for shareholders' approval shortly. A new 6 million share company would be formed under the name of Canadian Ashmont Oils Ltd. Consideration to each company for their assets would be stock of the new company as follows: Jet 1,673,865 shares; Rundle 1,200,002 shares and Ashmont 875,003 shares.

Upon completion of the merger, Canadian Ashmont would own oil reserves of close to 1.4 million bbls. plus varying interests in over 900,000 acres of leases and reservations scattered across Alberta and in British Columbia and Montana.

If the present amalgamation is approved by the shareholders, a further merger with McDougall-Segur Exploration Co. of Canada is expected at an early date.

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Development and exploration drilling successes obtained by the Company during the year on various holdings in its well balanced portfolio of interests held throughout Western Canadian Oil and Gas areas resulted in . . . . .

MAJOR EXPANSION of ★ ★ ★ ★

RECOVERABLE OIL AND GAS RESERVES

Estimated at 6,416,000 bbls. Oil reserves and recoverable gas reserves 15.5 billion cu. ft.

CHAUVIN—The Company as major operator in the Chauvin medium gravity oilfield has participated in completion of 28 producers—19 wholly owned, 7 are 50 per cent owned, 2 are 75% owned...gross recoverable reserves to date placed at 4,012,000 bbls....

RED COULEE—Under equal participation arrangement with Ponder Oils 5 light gravity producers completed to date on an 8 well site half-section...gross recoverable reserves developed to date estimated at 338,000 bbls...Rio-Prado also has 1 producer on wholly owned half-section...gross drilled reserves estimated at 70,000 bbls....

BOW ISLAND—Company successfully completed first well drilled on extensive wholly owned acreage in Burdette district as fine producer medium gravity oil... gross drill developed reserves placed at 182,000 bbls. for that well...

ARMENA—Company has 40.5% interest in 4 producers...gross reserves estimated at 1,150,000 bbls....

CAPRONA—Holds 8% interest 3 wells...gross reserves estimated at 664,000 bbls....

GORDONDALE—Rio Prado has 18¾% carried interest in Canadian Fina-Royalite oil gas development in this area...Company's share net recoverable gas reserves to date estimated at 15.5 billion cu. ft.

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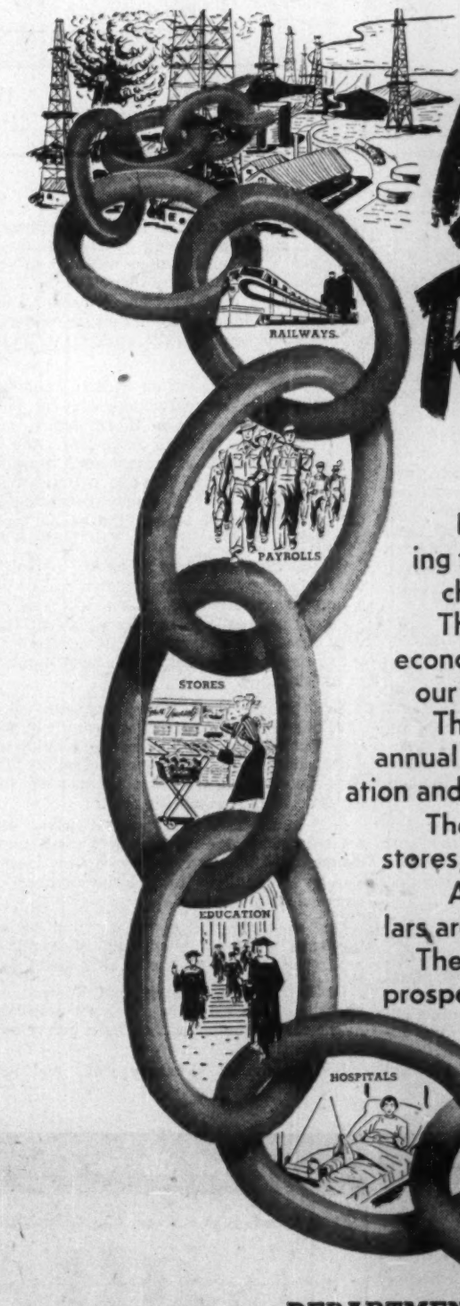

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GOVERNMENT OF THE PROVINCE OF ALBERTA

BIRTH OF A NEW INDUSTRY

With the Oil, Gas: A Petrochemical Bonanza

How Test Tube Magic Is Boosting Crude Value Tenfold

When chemists discovered that by re-arranging the hydrocarbons in petroleum gases they came up with low-cost chemical building blocks for dozens of consumer products, a mighty new industry was born—petrochemicals.

Oil people say this has probably been the most important thing to happen to their industry since the advent of the automobile. But because the industry is so young—it really just hit its stride since end of World War II—and its potential has been growing so rapidly, no one has dared forecast a ceiling for its activities.

Already petrochemistry is providing about one fourth of all the chemicals produced in the U. S. By 1975, it is likely to be accounting for 50% of the total. The same trend is developing in this country. Here the industry has grown from a $50 million start in one wartime plant to a total investment of around $275 millions in some 22 plants completed or building.

There's one very basic reason why the petroleum industry has not only been very ready to provide the all-important gases to this fast-stepping offshoot industry but has also been jumping into the business itself: extracting the "building blocks" for chemicals multiplies the value of the petroleum some 10-12 times, whereas refining the same oil for fuels increases the value only some 3-4 times.

But every refiner hasn't a petrochemical market available on his front doorstep. Up to recently it has only been those oil people whose refineries and gas wells have been located economically close to heavily populated market areas who have been able to attract the petrochemical plants to their sites. Low-cost pipeline transportation will alter this situation somewhat in the future.

More Expansion Ahead

Construction of a trans-continental gas pipeline system in Canada will almost certainly mean a second expansion wave for this country's petrochemical industry. Not only will plentiful supplies of gas be made available to industry along the route of the proposed pipeline to Eastern Canada but new petrochemical plants are certain to go up close to some of the major gasfields in the Prairies.

Already Canadian Gulf Oil has indicated its intention to build petrochemical units in its huge Pincher Creek gasfield in Southern Alberta. Pacific Petroleums is also seriously looking into the petrochemical picture for its Peace River field.

Sulphur, butanes, propanes, natural gasoline will be chief products extracted from the gas before it starts on its long hike eastward or southward. The stripping of some, or all, of these constituents, of course, will greatly limit the petrochemical potentialities of the gases in Eastern Canada.

Up until recently the greatest portion of Canada's petrochemical growth has been based on petroleum gases available from oil refinery operations. That is why all the major plant construction programs since the war have been located close to important oil refining centres like Sarnia, Montreal and Edmonton.

But once the large Prairie gasfields have been developed and the pipeline markets built up to such a degree as to make gas available to industry on a low-price, all-year-round basis availability of refinery gases will no longer be such a limiting factor in plant location.

But the remarkable growth in Canada's petrochemical industry would never have been possible without the unprecedented post-war expansion in refining capacity in this country—up over 75%. This has made available a greatly expanded volume of byproduct gases to the young industry.

In some cases, the oil companies are creating new divisions—or associated companies—and going directly into the chemical business. This is the case with both Shell Oil Co. of Canada and British American Oil Co.—the latter in conjunction with Shawinigan Chemicals Co.

In other cases, the oil companies have preferred to remain essentially in the refining business and are selling their refinery gases as feedstock to petrochemical companies in the area (Imperial Oil, McColl-Frontenac, Canadian Oils Cos., Sun Oil Co.).

Many Uses

Although growth of the petrochemical industry has provided a broad and expanding market outlet for the byproduct gases produced in the refining process, disposition of these gases depends in the final analysis on the economics of the situation.

Actually most refiners can make other uses of the gases composed chiefly of ethane, methane, butane and propane hydrocarbons. For instance, butanes and butylenes can be used as a blending agent in manufacture of high octane gasoline; the propane and propylene "cuts" can be sold for liquid petroleum gas marketed in cylinder form and used in cooking and heating in certain areas. Finally, total gas stream can be burned as a fuel under refinery boilers.

So far, the greatest chemical demand in Canada—and U. S.—has been for the ethane, or ethylene portion of the gas stream. Ethylene is the all-important starting point in manufacture of permanent-type anti-freeze, plastics, synthetic rubbers, etc. Ethylene production which is basic to practically every petrochemical operation in this country has been boosted more than four-fold in the past five years.

In some cases, the oil refiner separates the refinery gases himself delivering only the required ethylene cuts to the petrochemical customer; in other cases, the petrochemical operator takes delivery of the entire byproduct gas-stream separating out what he requires and delivering the rest back to the refiner (e.g. Polymer Corp. and Imperial Oil at Sarnia).

Although the volume of chemical intermediates flowing out of the petrochemical plants and going into an ever-widening range of products is growing every year, still only about 1% of oil production is ending up in these chemical products.

"But with an abundant supply of raw materials at hand," says Dow Chemical Co. head Dr. Leland L. Doan, "the industry can look forward to greatly accelerated expansion in numerous fields, including plastics, synthetic rubber, automotive chemicals, synthetic fibres, protective coatings and detergents. This expansion will have the notable effect of continually improving our standard of living."

Importance To Canada

From a Canadian standpoint one of the most important petrochemical processes developed has been use of natural gas in production of nitrogen and hydrogen for manufacture of ammonia. The Calgary nitrogen plant of Consolidated Mining & Smelting has been one of the first plants in the world to make use of this process. The plant is now an important producer of ammonia and ammonium nitrate fertilizers.

The $17 million metal refinery of Sherritt-Gordon Mines at Fort Saskatchewan, near Edmonton which is expected to come into first operation early in the new year will make use of huge supplies of natural gas to produce ammonia. The ammonia will be used as the principal chemical leaching agent in a new refinery process to recover nickel, and ultimately copper and cobalt, from company's base metal ores from Lynn Lake area in Northern Manitoba. Sizeable quantities of ammonium sulphate and some ammonia will be marketed as well in form of chemical fertilizers.

There is a possibility that if Western natural gas can be laid down cheaply enough in the big Sudbury nickel-copper smelting area that International Nickel, and maybe Falconbridge Nickel, might in time convert to chemical refining processes producing their own ammonia from natural gas supplied by an all-Canada gas pipeline.

It might also be found an economical project to establish an ammonia fertilizer plant somewhere in the eastern section of the Prairies—say at Winnipeg—using natural gas from the proposed gas pipeline to feed the city.

Western Prospects

It is difficult at this time, however, to predict a large-scale petrochemical expansion in Eastern Canada based on Western Canada gas.

In the first place, it's almost certain that most of the valuable ethanes, propanes and butanes will be removed from the gas at source. One big reason for this is that these gases will liquefy under moderately high pressures—or low temperatures—thus complicating pipeline deliveries.

Also, it generally makes for a more efficient and economical operation to extract these gas constituents at source and establish your petrochemical plants at that point since gas cost increases considerably the further distant from the starting point. Because of disposition of major markets in this country, however, this would be counteracted considerably by the lower rail freight charge for finished product.

Here is a good example of petrochemical economics in action: Since ethylene—its main raw material requirement—can be obtained from all of the petroleum hydrocarbons, whether liquid or gaseous, Canadian Industries Ltd. had considerable choice in location of its new plant to manufacture the popular plastic—polyethylene.

It was finally decided that the advantages of production in the East close to markets were outweighed by the advantage of location in Alberta, where additional freight charges could be offset by a virtually unlimited supply of raw materials at lower costs and with much lower fuel costs as well.

The first big postwar wave of petrochemical plant construction in this country is now nearing completion. A dozen major plants representing a combined capital outlay of over $125 millions have come on stream this year. Another $17 million project will be completed early in the new year. The first $1 million step in an ultimate $20 million project to produce a new synthetic fibre in this country will be completed late next year or by early 1955. Phenol, isopropyl alcohol, pentaerythritol, adipic acid, hexamethylene diamine, carbon black, formaldehyde, polyethylene are just a few of the new group of products to flow out of the new plants.

Some Major Projects

Here are some of the major projects recently completed or under way across Canada:

B-A Shawinigan Ltd. (owned jointly by B-A Oil and Shawinigan Chemicals) $4 million petrochemical plant at Montreal East for production of phenol and acetone and associated byproducts came into production last May. Basic raw materials are cumene, produced by a special unit at B-A's refinery, and benzene. Capacity of new plant is some 13 million lb. per year of phenol and about 8 million lb. of acetone, coupled with production of some important byproducts (alpha-methylstyrene, acetophenene, mesityl oxide, etc.).

Phenol as a chemical is used principally in production of synthetic resins and adhesives glues. When combined with formaldehyde, it forms the basis of phenolic resin plastic. Phenol is also used as an ingredient in 2, 4-D, synthetic detergents, pharmaceuticals, etc. The plant is designed to make Canada self-sufficient in phenol.

Canadian Industries Ltd.'s new new $3 million Sarnia plant for first Canadian production of carbon black for use in the rubber industry went into operation early in the summer. Plant has a capacity of over 25 million lb. a year. Until now this product has all been imported from U. S., the 1952 bill for some 60 million lb. totaling $3.8 millions. Turning out two of the most popular grades of carbon black, the new plant will render Canada much less vulnerable on the supply front, particularly in wartime.

Made from burning petroleum oils or tars in a special type furnace with insufficient oxygen, the carbon black will be used as an important reinforcing pigment in rubber manufacture, particularly in output of auto tires.

Canadian Chemical Co.'s $70 million Edmonton petrochemical plant which came into initial operation this summer is gradually approaching full operation. With starting raw materials of high alpha wood pulp from an associated B. C. company and petroleum gases, the company will end up with a long list of organic chemicals—some of them never produced before in this country—and cellulose acetate and acetate staple fibre and filament yarns. The plant represents an increase to Canada's acetate capacity of some 75%. Currently the yarn and fibre production facilities have been operating at around 70% capacity.

The chemical part of the operation has been in production on only a limited scale. Pentaerythritol production was begun on a pilot plant scale in August and other divisions of the chemical plant have started to turn over in the past month, with complete production expected by the end of this month. Chief chemicals for sale will be formaldehyde, pentaerythritol. Others will include methanol, acetone, propylene glycol, etc.

Natural gas from nearby gas fields will be used as a fuel to produce electricity and the hydrocarbon raw materials will come from refinery gases available in the area. The entire manufacturing process will be based on that used in parent company's plant at Bishop, Texas, although some important modifications have been installed.

Canadian Industries Ltd. new $13 million Edmonton plant for first Canadian production of polyethylene, one of the most versatile plastics known, went on stream last month. Output will be some 6,000 tons of polyethylene flake a year—a white waxy solid—which will be shipped to manufacturers across Canada for conversion into a wide variety of finished products such as film for fresh vegetable wrapping, ice-cube trays, TV insulation, etc. Up until now Canada has been totally dependent on imports from U. K. and U. S. for this increasingly popular plastic material.

Raw material will be natural gas from the nearby Imperial Oil extraction plant at Devon. Operations will require some 10 million cu. ft. of gas, 8 million gals. of water and 35,000 kwh of electricity daily. Complete plant will comprise six main groups of buildings: administrative offices; power house and water pumping facilities; a treating and cooling system; the super-high pressure equipment; handling facilities for the finished product; the ethylene plant and the polyethylene building, including the reactor area and control room.

C-I-L's Maitland, Ont. plant for first Canadian production of nylon intermediates adipic acid and hexamethylene diamine came into first production this summer. The plant which covers some 100 acres and is reported to cost over $20 millions is the largest single project ever undertaken by Canada's largest chemical company. Total output of the plant will be shipped to company's Kingston, Ont. spinning plant. The nylon intermediates will be manufactured from a petroleum fraction. Some 60,000 tons of coal will be consumed annually and tremendous quantities of water and electricity.

Dominion Tar & Chemical Co.'s new Montreal East petrochemical plant went on stream early in May. Costing some $12 millions, it has a productive capacity of around 30 million lb. of ethylene glycol used chiefly in permanent type anti-freeze. Plant can also produce ethylene oxide which could be used in manufacture of synthetic detergents. Company officials are looking into the possibility of manufacture of other associated products, including ammonia.

Dow Chemical of Canada is still one of the fastest growing petrochemical operations in this country. The firm has maintained an unbroken program of new construction at its Sarnia site since war's end. A new unit for production of polyestyrene in sheet form is now under way with completion expected in the second quarter of 1954. Representing first Canadian production, the new product lends itself readily to a unique method of molding, a process known as vacuum forming. The plant is expected to cost something in excess of $500,000.

A new plant for production of synthetic latex is well on its way with completion scheduled for very early 1954. The latex is finding a rapidly expanding list of industrial applications including use in latex-based paints, latex-coated paper, etc. Cost will be somewhat in excess of $1 million.

Company's styrene monomer plant went into production early last May. With a 2 million lb. monthly capacity, the new plant will provide considerable flexibility in production and make available to the Canadian plastics industry new modified styrene materials. Plant was estimated to cost $4 millions.

Dow is also planning an expansion in present plant facilities for production on anhydrous ammonia.

Imperial Chemical Industries of Canada has started site work on its $20 million Millhaven, Ont. plant for first Canadian production of Terylene—a manmade fibre closely associated with Dacron, turned out by Du Pont in U. S. A. A small pilot plant for production of some 700,000 lb. a year is expected to be in operation by next spring. The main plant will not be completed until mid-1955. The basic raw material is para-xylene from petroleum.

Shell Oil Co. of Canada's new $3-$4 million Montreal East petrochemical plant went on stream in April of this year. Capacity of the new plant is some 20 million lb. annually of isopropyl alcohol—first time produced in Canada—and acetone. But there will be a considerable flexibility in output between the two chief products, production being varied according to market conditions. Production of other associated chemicals is expected at a later date. The hydrocarbon raw materials are available from refinery gases from company's expanded and modernized plant close by.

Isopropyl alcohol is important in production of pharmaceuticals, cosmetics; in making lacquers, in cleaning compounds, plastics, etc. Acetone is used in a variety of products including rayon, cordite, plastics, etc.

Sherritt-Gordon Mines $17 million chemical metallurgical plant going up at Fort Saskatchewan, near Edmonton, is nearing completion, with first treatment of ore concentrates expected to commence next April. The plant will be using a revolutionary new ammonia-leaching process to recover refined nickel. First developed by Prof. Frank Forward of University of British Columbia, it involves dissolving nickel sulphide in ammonia and then precipitating the metal from this solution through another chemical. Large natural gas requirements used in manufacture of the essential ammonia will be supplied from Mid-Western Industrial Gas.

As well as the nickel, copper and cobalt metals to be recovered, some 70,000 tons of ammonium sulphate and some extra ammonia will be produced. The chemicals will go mainly to the export fertilizer market in the West Coast area of U. S. although sizeable quantities will also be marketed in the Grey Woods section of the Prairies.

St. Maurice Chemicals (jointly owned by Shawinigan Chemicals and Heyden Corp., New York) brought its new $3 million plant at Varennes, Que., into initial operation last May. Plant has a top capacity of some 30 million lb. of formaldehyde and some 2-3 million lb. of pentaerythritol annually. A major portion of the formaldehyde production will be used in manufacture of "penta." Recently Canadian Chemical Co. began production of penta also at its Edmonton plant. Big market outlet for penta is in manufacture of high quality industrial finishes.

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How Oil, Gas Spark Varied Alberta Boom

Alberta looks with confidence to greater industrial development in the new year. Linked with oil are other industries, such as coal, gas, agriculture, all of which Alberta and its one million people have in abundance.

As the province expands its oil industry, so will its general industrialization increase with more and more production to strengthen Canada's economy.

The province has seen since the Leduc discovery, over $1,000 millions invested in the petroleum and natural gas industry in Alberta. Much of this capital came from the United States, while there was a noticeable effect on the relationship between Canadian and American dollars.

In 1947, Alberta produced six million barrels of oil from 606 producing wells. The figures rose to 59 million barrels in 1952 from 6,700 producing oil wells. About 80 million bbls. will be turned out this year. While the actual permissible production from wells in Alberta is around 300,000 bbls. a day, actual output is about 250,000 bbls. a day.

Opening of new markets both to the east and west is expected to increase the production of Alberta oil. In addition to the Trans-Mountain Oil Co. Ltd. export line from Edmonton to the Pacific Coast, there is the Interprovincial Pipe Line Co. extension from Superior, Wisconsin, to Sarnia, Ont. This latter extension means that Alberta crude will cross the Great Lakes 12 months of the year for refinery treatment.

Provincial government figures on Alberta's 30 major producing oil fields show the province's proven resources to be in excess of 1.5 billion bbls. of oil. This is exclusive of the rich McMurray oil sands area, north of Edmonton, estimated to contain from 100 to 250 billion bbls. of oil and still awaiting development.

Growing Production

Alberta, of course, is rich in other resources. It is known to contain three quarters of Canada's known coal reserves, or about 40,000 million tons. It is interested in developing the Ontario and other eastern markets for coal.

The gas reserves of the province have been estimated at in excess of eight trillion cubic feet, with potential reserves stretching into astronomical figures.

Based on agriculture, Alberta's manufacturing industries turned out products valued at more than $500 millions last year.

The production of the 15 packing plants in the province was valued in excess of $105 millions.

The industrialization of Alberta also has kept pace with the growth of the oil and petroleum industries.

Industrial capital invested in Alberta in 1948 was about $56-millions and four years later this had increased to $370 millions. As an example, 470 companies were formed in 1948, compared with 1,200 last year.

Last year, the capitalization evaluation of new industry averaged $30 millions a month.

Alberta's power consumption has tripled in 10 years, to handle the increasing output of manufactured products. Major power companies are faced with still further expansion programs to cope with ever increasing service demands.

One week last summer, 64 new companies were incorporated in Alberta, many of them concerned in oil development.

While Alberta was predominantly an agricultural province until a few years ago, it now is being increasingly industrialized. The population of the province has increased about 20% in the last 10 years. This great increase has taken place mainly in the urban areas. Consequently the effects of the industrial revolution are expected to rapidly increase, affecting housing, traffic, school and labor problems.

Of outstanding significance, following the oil discoveries, is the development of the petrochemical industry, especially in the Edmonton area. The chemical industry development in Alberta last year represented 50% of that growth in the entire country.

Industrial authorities have stated that the chemical development in Alberta in five years was amazing as a period of 30 years had been estimated for such expansion.

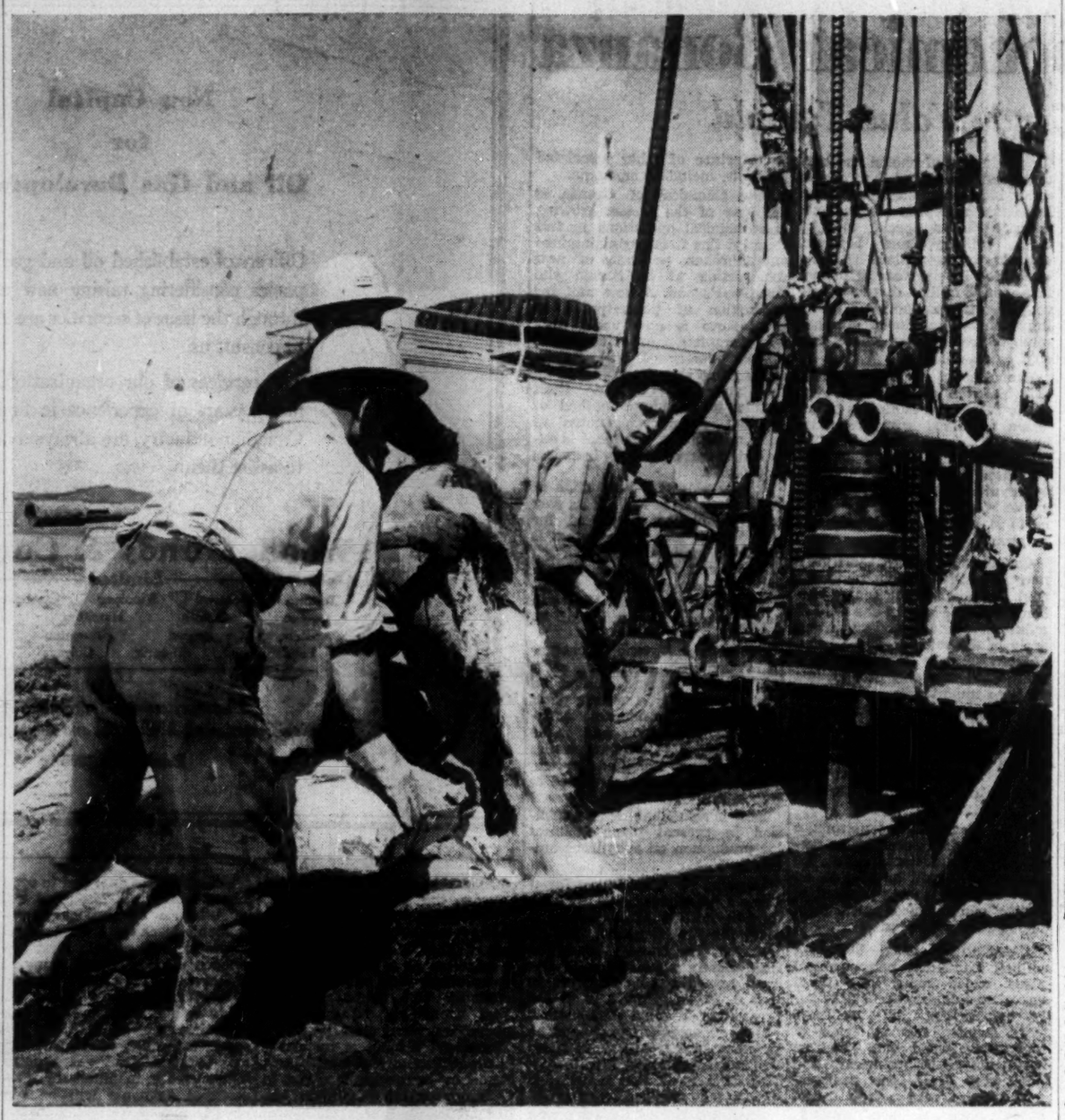
Based on a wealth of natural resources, many of which have been merely scratched, industrial growth is certain next year and for many years to come, in the opinion of experts.

Industrial development will rival Ontario, it is claimed, as various firms locate in Edmonton and other areas. Already numerous enquiries have been received by city and provincial officials concerning sites and possibilities for next year.

The inter-connection of the chemical industries, for example, is leading to greater development. One plant can use almost the entire production of another plant. Byproducts from both can supply a third followup industry.

Industrial plant establishments in the Edmonton area alone have been estimated to cost $200 millions, with large projects in the offing as other concerns prepare plans.

Oil Chefs At The Mud Mix



A knowledge of mud is one of the fundamental prerequisites of the drilling business. Mud is used in wells to cool and lubricate the bit, coat the side of the well and prevent erosion, pick up drill cuttings and prevent "blowing out." Occasionally a well loses circulation with mud escaping into porous formation penetrated by the well. Anything from beet pulp, breakfast food to feathers may be added to the mud to cement off the offending formation.

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Why Oil Spotlight Swings To Markets And Transportation

By W. L. DACK

Recent completion of Canada's two big oil pipeline projects—one to the west coast, the other a 635-mile extension of the Interprovincial line to Sarnia — more than ever swings the oil spotlight onto markets.

Where is Canada going to market her mounting supply of western crude? Will the U. S. absorb all available surplus oil or will producers be thrown back increasingly on the domestic market?

When oil planners decided on the Edmonton-to-Vancouver pipeline of Trans-Mountain Oil Pipeline Co. the decision was based on a considerably larger market potential than that which could be provided by British Columbia. It included the fast-growing U. S. Pacific Northwest, from northern Washington State right down to California.

With production from California fields lagging increasingly behind steadily expanding demand in this whole area, Alberta oil looked like the logical supplier. Oilmen saw a possible market here for western crude of some 350,000 b/d within 5-7 years. This is including a B. C. market of around 50,000 b/d.

The oil experts could have decided just as readily to go after the big Montreal market instead by boldly extending the Interprovincial Edmonton - to - Superior, Wisc., pipeline to Montreal. But it was obvious that there would have to be a substantial wellhead price cut to enable Alberta crude to lay down competitively in Montreal with Venezuelan crude.

On the other hand, chances looked very good—and kept improving as the Trans Mountain line was under construction—for Alberta crude reaching as far south as San Francisco without the benefit of any wellhead price cut. Anyway the Montreal market could be reached later, as western production potential climbed.

The western pipeline idea kept looking better as the construction project pushed forward. Management decided to boost initial capacity from 70,000 to 120,000 b/d. After completion of a fourth pumping station this month capacity will be further boosted to 150,000 b/d.

But over recent months, the whole west coast export outlook has deteriorated rapidly and it looks now as if the throughput timetable for the line will have to be put back about one year. For a time, the line will only be looking after the requirements of the two B.C. refineries—around 37,500 b/d. Completion of three new refineries in B. C. and nearby Washington could add another 50,000 b/d by the end of the year, or early 1955.

Crude Price Dip?

In other words, all hope of exporting oil by tanker to California refineries has been practically abandoned for the time being. More than that, it looks now as if producers might have to shave wellhead prices in Alberta to be assured of the bulk of the 85,000 b/d market in northern Washington state, a market the industry had come to look on as certain.

It's all growing out of increasing marketing pressure from Middle East oil and the production cutbacks forced on major U. S. oilfields, because of high refinery inventories. General Petroleums president Robert L. Minckler, whose company is now building a 35,000 b/d refinery at Ferndale, Wash., to operate on Canadian crude, claims Iranian oil can lay down 15c a bbl. cheaper than our oil can be piped in via the Trans Mountain line.

Close by at Anacortes, Wash., Shell Oil will build a 50,000 b/d plant. Management had planned to use Canadian crude also.

Although most types of Alberta crude will command some premium (over Middle East oil) on grounds of quality and deliverability, it is likely that the industry would move to restore a little more comfortable price margin on the west coast.

As for the big California market, any near-term hopes of getting in there — even with a wellhead cut—look pretty slim since lower wellhead prices appear imminent there too.

Where does all this leave us on the west coast market? Here's how prominent Canadian oil executive sees it:

"We must have that northern Washington market representing a total of 85,000 b/d. You can count on it we'll be competitive even if it means cutting wellhead price in Alberta to do it. But a drop of 10-15c a bbl. in pipeline carrying charges might be sufficient to assure us the market."

Along with the B. C. market (45,000-50,000 b/d refinery capacity) the practically assured west coast market adds up to some 135,000 b/d. But it would be mid-1955, for instance, before the 50,000 b/d Shell plant comes on stream.

A lot of things can happen long before that to alter the whole marketing picture. There is a better-than-even chance that a general wellhead price cut is coming in the U. S. Mounting inventories of refined products and successive production cutbacks in the fields have started to exert heavy pressure on crude prices. Canadian producers would have to meet any oil cut in U. S. immediately to even retain its present share of the big Ontario market formerly supplied by mid-continent U. S. crude brought in at Sarnia and Clarkson.

Low Tanker Rates

The big question then would be this: Would the lower crude price take the competitive edge off Middle East oil and in turn give Canadian producers a better chance at the U. S. export market? At the moment, Middle East crude —benefiting from abnormally low ocean tanker rates—lays down at San Francisco some 30c-45c bbl. below Canadian crude. Although it is inconceivable that the glut of tankers competing at cutthroat rates for the Middle East business can keep doing so for long, top oil experts don't look for much of a comeback in tanker rates for another year or two.

Meanwhile, there is strong pressure on Washington to curb imports of foreign oil. Canada's whole oil export picture depends considerably on what action is taken—if any—in the next few months.

So far in the U. S. it has just been a case of importers being asked voluntarily to cut purchases of foreign oil. But strong interests—particularly the independent oil producers' association —are pressing harder than ever for stiff regulatory controls on imports. Although the campaign is being directed chiefly against Middle East and South American crude, it is almost certain that any program of higher tariffs, or quota systems, would adversly affect Canada's export chances.

If Washington takes an arbitrary stand on imports and refuses to grant Canada a most favored nation treatment, producers would be thrown back almost entirely on the Canadian market. This in turn would likely mean an early decision to extend the Interprovincial pipeline as far east as Montreal, soon to represent some 40% of the entire Canadian refinery market. But to get into this market competitively with Venezuelan crude (piped up from Portland, Me.) would mean a wellhead cut (today it looks like 20-30c a bbl. or about the extra cost it would take to transport the oil by a pipeline extension from Sarnia to Montreal).

This all adds up to a somewhat uncertain marketing picture. The uncertainty though is not one of possible lack of market—if we wanted to go after the Montreal market there would be enough demand there to absorb all available oil production over the next few years. The uncertainty is price and final disposition of the oil.

The Market Next Year

The oil market next year looks like a daily average of around 260,000 b/d (all in Canada with exception of some 15,000 b/d to the Superior, Wisc. area). This could climb as high as 290,000-300,000 b/d by year's end or in early 1955 when the 35,000 b/d General Petroleums refinery at Ferndale, Wash. comes on stream.

With an estimated daily oil production potential in this country by next summer of some 380,000 bbls., a comfortable surplus margin will remain to enter any additional market that might develop by that time. By mid-1955 when the new Shell plant starts operating at Anacortes, Wash., an additional 50,000 b/d market will be available.

At the moment it doesn't look as if there is going to be any great pressure of surplus oil forcing extension of the Interprovincial pipeline to Montreal—the second great line of market defense. That is, if—and these are two powerful ifs—the promised export market develops as expected and no great new oilfields like Leduc are discovered in the meantime.

There is a good chance too of some worthwhile markets opening up for Canadian oil along the route of the Interprovincial pipeline extension through Michigan. There have been a number of enquiries from Michigan firms and one or two Michigan sites are reported to have been considered

(Continued on page 42)

Oil Industry Has Its Own Christmas Tree

What is known in oil parlance as a "Christmas tree." After an oil well is drilled and well established, oil field derrick is removed and the wellhead equipped with this modest item which regulates the flow of oil and gas from the well. The idea of a producing oil field dotted with oil rigs is no longer correct. Today's oil fields are dotted with these Christmas trees.

Financing Canada's Oil Development

New oil discoveries and increased production of Canadian crude oil indicate a leading role for this important industry in the growing economy of the country. Oil, gas and pipeline companies desiring to become established in Canada, those planning further expansion or requiring additional working capital are invited to discuss with us, without cost or obligation, ways and means of obtaining funds for their particular needs.

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Financing, Drilling, Production Record

Sapphire Pete.

A major increase in oil reserves is reported by Sapphire Petroleums for the year ended May 31, 1953. Reserves of the company and a wholly-owned subsidiary at May 31, were approximately 5.5 million bbls. including approximately 2,350,000 bbls. of secondary recovery anticipated from U. S. properties. This compared with reserves a year earlier of 1,081,352 bbls.

Sapphire is a participant with Calvan, Pacific Petroleums, Kenwell, etc., in 350,000 acres of bituminous sands at Fort McMurray, Alberta; 62 core holes totalling 13,983 ft. have been drilled, outlining three rich areas of bituminous sands. Exploration is continuing. Sapphire's 10% interest is stated conservatively to represent over a billion bbls. of oil when and as this may be recovered.

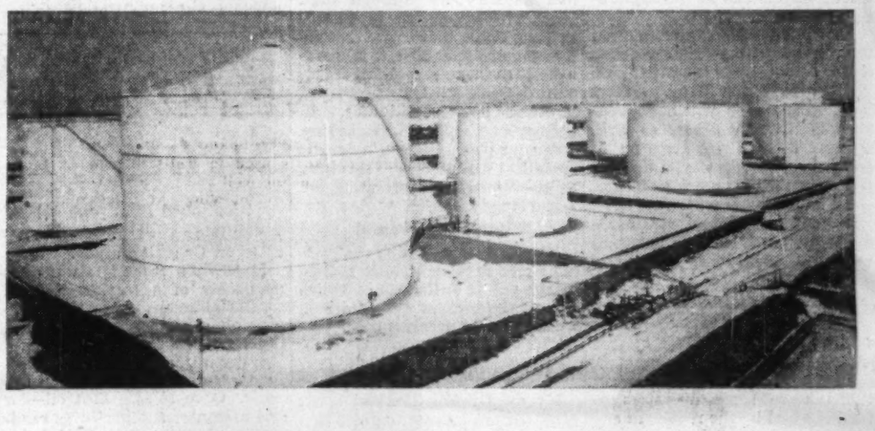
Oil production for the year ended May 31, 1953, was 152,598 bbls. worth $395,587 after royalties. A profit of $77,198 before write-offs and taxes was realized with a net loss of $371,998 after these charges. Increased profits before write-offs were realized in the three months ended Aug. 31, 1953, and no dry holes were drilled in this quarter.

Balance sheet as at May 31, 1953, showed $776,619 current assets including $519,357 cash as against current liabilities of $316,558. The company shows as outstanding $2 millions of convertible sinking fund debentures but $105,000 has been reacquired for sinking fund purposes.

Mercury Oils

Mercury Oils Ltd., an old-time Calgary independent, has interests in 18 oil wells in the Turner Valley, Leduc, New Norway and Chancellor areas of Alberta, owns four naphtha wells and has royalty interest in four oil producers at Turner Valley and has a stake in a capped gas well at Chancellor. One well at New Norway is a dual-zone producer, from the Poplar sand and Devonian D3.

Total revenue for the year ended Dec. 31, 1952, amounted to $53,772. After deducting expenses and depreciation, depletion and writing off against well costs, net loss for the year was $1,357.



SUBSTANTIAL GASOLINE SAVINGS

. . . . . achieved by the Wiggins "Dryseal" Gasholder, enable it to pay for itself in a short period of time.

This Wiggins "Dryseal" Vapor-Balancing Gasholder, located at a new refinery at Edmonton, Alberta, has a capacity of 200,000 cubic feet and is 74'6" in diameter with a height of 48'0". It is coupled to 22 storage tanks with large diameter piping, to form a complete system, to prevent substantial losses from standing storage "breathing" and in-and-out pumping and blending.

Recent T.I.W. Wiggins Contracts in Canada

LOCATION	CAPACITY	DUTY
WIGGINS "DRYSEAL" GASHOLDER		
Edmonton	200,000 cu. ft.	Refinery Gasoline Conservation
Windsor	60,000 cu. ft.	Marketing Terminal
WIGGINS "DRYSEAL" LIFTER-ROOF TANKS		
Chatham, N.B.	54,390 Bbls.	Conservation and Storage
Toronto	34,000 Bbls.	Conservation and Storage
WIGGINS LODEK FLOATING TANKS		
Sarnia	2 — 150 ft. dia. x 48 ft.	Conservation and Sour Crude Oil Storage

WIGGINS GASHOLDER		
London	5,000 cu. ft.	Oxygen Storage
Toronto	5,000 cu. ft.	Oxygen Storage
Hamilton	2,500 cu. ft.	Oxygen Storage
Hamilton	1,500 cu. ft.	Oxygen Storage
Sarnia	40,000 cu. ft.	Hydrogen Storage
Maitland	20,000 cu. ft.	Nitrogen Storage
Montreal	1,500 cu. ft.	Oxygen Storage
Shawinigan Falls	150,000 cu. ft.	Acetylene Storage
Hamilton	250,000 cu. ft.	Coke Oven Gas Storage
Edmonton	20,000 cu. ft.	Hydrogen Storage

All over the world, oil companies have come to realize that profits can be considerably increased through the elimination of gasoline vapor losses. The Wiggins "Dryseal" Gasholder is the heart of the perfect recovery system.

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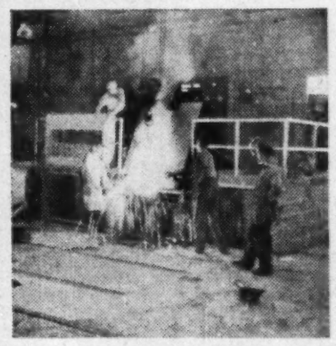
Automatic clutch and flexible type.



TAPPING OF HIGH FREQUENCY FURNACE IN THE FOUNDRY.

A new alloy steel Foundry of Sheepbridge Engineering (Canada) Ltd. was opened in Guelph, Ontario, in July 1953. This is a subsidiary of Sheepbridge Engineering Ltd., Chesterfield, England. The plant which is modern in every respect occupies approximately 25,000 square feet of floor space.

Two high frequency induction melting furnaces are at present in operation and an arc furnace is being installed before the end of this year. High frequency melting permits a very close control of chemical composition of the metal and the finest quality of steels and special alloys is guaranteed. New methods of moulding are being successfully employed — shell moulding process applied to steel casting production results in very smooth surface finish and close dimensional tolerances to plus or minus 0.015". Cement sand moulding is also extensively used, and is eminently suitable for castings of complex shape not only for general use but also for pressure castings.

The plant laboratories, consisting of Chemical, Metallographic, Testing and X-ray laboratories, are modern and assure strict metallurgical control, good physical properties and microstructure of the product.

CASTINGS FOR OIL AND GAS INDUSTRIES

Besides special castings made to very strict specifications of the R.C.A.F. Army and Navy, high quality castings for oil and gas industries are manufactured.

Castings for oil well equipment, such as casing heads, tubing heads, header bends, elbows, Christmas tree components, spools, etc. are made in high-tensile low-alloy steels to meet strength requirements in severe service conditions.

Oil refineries and pipe lines require a whole range of valves and pipe joints made either in stainless or semi-stainless materials, capable of resisting corrosion at ambient or elevated temperatures. Seats for large valves are cast centrifugally in wear- and corrosion-resisting steel.

To ascertain the best quality of product and pressure tightness, sample castings are subjected to careful X-ray examination before starting production. If required, each casting can be supplied to customer with a certificate of radiographic inspection.

Our machine shop is prepared to undertake rough machining. "Machine proved" castings give guarantee of the best quality.

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DRILLING COMPANIES

Few Holes Are 'Dry' For This Industry

For 260 Drilling Rigs, $50 Million Investment

The oil man may chart the rocks beneath his feet by all the ingenious methods known to modern geophysics, but the only way he can find out if oil is actually there is to drill.

Canada's drilling industry is no small part of our oil picture in money too. It represents an investment of over $50 millions.

There are about 260 drilling rigs in Western Canada and as of mid-November some 185 were either making hole or moving to or from locations.

The industry is below its peak operation, which was in May, 1952, when 253 rigs were operating. There was demand for still more rigs then.

The steel strike in 1952 in the U. S. cut supplies of tubular goods which drilling requires. And, this year, there has been somewhat less interest in drilling by oil companies.

The highest level of drilling since the all-time peak was, however, reached in June of this year. Some 230 rigs were active.

Interest To Investors

Drilling contractors are of interest to the investor because they are a kind of oil company that usually makes operating profit and often can pay a dividend.

Some drilling contracting companies combine speculative appeal with their operating, profit-and-loss outlook. They take part interest in wells in payment for services in drilling them.

One of the larger drilling contractors, with a public interest and a record of dividend paying, has the major interest in a recent oil find near the Virden field in Manitoba.

A great number of contract drilling companies are owned in the United States, which had such a lead on Canada in oil exploration and development.

A few oil companies maintain their own drilling rigs or have drilling subsidiaries which do drilling only for them. Others have subsidiaries which do contract drilling for others as well. Owning its own rigs gives an oil company a certain flexibility, and perhaps saves money sometimes.

An oil company with a rig of its own can move it into the far north in the fall and leave it there all winter to have it ready for drilling in the spring.

More Competitive Bidding

When less work is available for drilling contractors, bidding for jobs has become more competitive.

An idea of the kind of profit available to some operators at least is given by the results of one company for its last fiscal year. On gross revenue from drill contracts of $2,462,485, it had net profit after depreciation but before income tax of $356,015, or about 14%. Some expenditures and revenues from operations other than contracting may be involved.

A factor in drilling contracting profits is a relatively high degree of risk. Wells may be drilled on a "turn-key basis" guaranteeing satisfactory completion.

Small drilling contractors go out of business from time to time or are absorbed by others. Their equipment is expensive—a typical rotary drilling rig may cost $300,000 today—and they must keep it active to make it pay. Also, they run risks of having costs exceed their expectations.

One disaster that can befall them is to drop their drilling tools down the hole. It can take days to retrieve them, by "fishing" as the oil workers term it.

A well that would ordinarily cost $75,000 to drill in Leduc field sometimes costs $175,000 because of unforseen difficulties.

The contractor ordinarily does not bear the risk of "lost circulation," one of the most frequent runners-up of costs. When this mishap occurs, the drilling "mud" which is pumped down through the drill pipe to carry up the rock removed by the bit, does not come up. It gets lost in porous rock in the side of the hole. The oil exploration company with whom the driller has contracted incurs this loss (which can be serious for a small independent of limited assets).

Common arrangement between the contractor and owners of the well is a per-foot charge for drilling. Often this charge applies only till the "pay zone" where the petroleum is found is reached. Then, a per day charge may apply.

Drilling companies are very active industrywise through their Canadian Association of Oilwell Drilling Contractors. The association covers about 80% of all drilling rigs in Canada. Seeking favorable legislation and promoting safety are its chief activities.

Forty-one drilling firms belong. Twenty-eight associate members include contractors servicing wells—cementing, perforating, etc. —and supply houses.

Principal Companies

Here are some drilling contracting firms in which stock is held by the public in Canada or which are subsidiaries of companies in which public interest is held.

McIvor Drilling

McIvor Drilling Co. had a net profit before income tax of $356,015 in year ended Feb. 28, 1953. Gross revenue from drilling contracts was $2,462,485.

Dividends paid last fiscal year amounted to $1.50 a share or a total of $217,500. Dividend of 50c a share was paid Dec. 1, 1953.

Company has 10% interest in development of 320 acres in the Roselea-Virden area of Manitoba. Four light oil wells and one dry hole have been completed. McIvor will provide two thirds of costs for one third interest for development with Souris Valley of an adjoining half section.

Company operates nine drilling rigs.

Parker Drilling

Net earnings for the period May 7, 1952 to April 30, 1953, were $279,965 after provision for depreciation of equipment and taxes on income, or the equivalent of approximately 90c for each outstanding share. Dividends paid were 50c a share or a total of $155,002, leaving an earned surplus of $124,963.

Working capital at the end of the period was $848,178.

Company paid $307,082 cash for new capital equipment during the year.

It operates 10 drilling rigs.

General Pete.

General Petroleums combines oil exploration and development and investment in producing wells with a contract drilling business. It is one of Canada's largest drilling operators, with 14 drilling rigs as well as a large fleet of trucks, autos, a bulldozer and a couple of mobile camps for crews.

Merrill Pete.

Cascade Drilling Co. was merged with two oil companies last year to form Merrill Petroleums. It is now a wholly owned subsidiary of Merrill, and provides it with considerable revenue from contract drilling. Net revenue from contract drilling for Merrill in the year ended June 30, 1953, was $911,834 before depreciation and administrative expense. Cascade operates nine drilling rigs.

Other Companies

Commonwealth Drilling Co. owns 22 drilling rigs and two service rigs. More than half the stock is held by Commonwealth Petroleums Ltd.

Double-A Drilling — Trans-Era Oils owns 50% interest in Double-A Drilling Co. of Calgary, which operates three drilling rigs. (Trans-Era's Kansas subsidiary has a 10-rig contract drilling division.)

McIntyre & Webster Drilling Co. does drilling contracting and drilling for British Empire Oil Co. (which owns it one third) and British Empire's associates. Company had a net profit of $107,583 in year ended March 31, 1952.

Young Drilling Co. is a wholly-owned subsidiary of Calmont Oils. It operates two rigs.

Oil Producers Ltd., engaged in drilling and servicing wells, is controlled by Excelsior Refineries Ltd.

Tri-Province Drilling Co. is wholly owned by Britalta Petroleums Ltd. It operates four rigs.

National Petroleum Corp., oil producing and development company also owns and operates three drilling rigs.

Comet Drilling Ltd. owns three rotary drilling rigs and other drilling equipment.

Devon Drilling Co. Ltd., owned by Ponder Oils, operates three rigs.

Hawke Drilling Co. is wholly owned by Canadian Devonian Petroleums Ltd. and operates three drilling rigs.

Why Oil Spotlight Swings To Markets

(Continued from page 41)

for building a new refinery to operate on Canadian crude.

Meanwhile there is always the possibility of a market opening up in California. Although a surplus oil condition appears building up there at the moment all long-term trends indicate a steadily increasing dependence on imports. Once Middle East oil—for one reason or another—was rendered noncompetitive in this market, Alberta oil would be the logical supply source. There might even be a limited market there for our sweetest crude even under today's adverse marketing conditions.

Finally—and best of all—Canada itself provides one of the fastest-growing markets in the world. It has been expanding at the rate of some 10% a year with still no signs of leveling off.

But it has been only through the magic of pipelines that Canadian oil men have been able to overcome the accident of geography which places oil fields far removed from large-scale markets. It is only through relatively low well-head prices and transportation costs that remote oil can be brought into competitive range in large markets and it is only through large movements of oil through these lines that this low cost structure can be maintained and sufficient incentive still provided to drill more wells and explore for more oil.

Boost East-West Line?

There is no doubt that the Interprovincial pipeline planners would have built a bigger capacity line at the outset had the extent of oil developments in the West been guessed and sufficient steel for pipe been available. Even with the current expansion program this year of "looped" lines and extra pumping stations, it is obvious that before long the Edmonton-Superior mainline section will again be pushed to capacity.

Further expansion in looped line and pumping stations could bring total movement out of Edmonton to 200,000-210,000 b/d—out of Superior some 100,000-110,000 b/d. But after that any important further boost in expansion will mean pipeline looping to an extent approximating a parallel line all the way from Edmonton to Superior.

The experience with many of the main pipeline projects in the world is that they were made of too small diameter pipe. The larger the diameter, the lower the unit cost of operation. The carrying capacity of a line varies as the square of its diameter. A 32-in. line, for example, can deliver four times as much as a 16-in. line of equal length and 16 times as much as an 8-in. line.

When planners of the Trans Mountain line decided on diameter they wanted to make sure they would not build "too small." Thus, in constructing a line of 30-inch diameter, they provided a carrying system that could move a peak capacity of 300,000 b/d—far in excess of any near term market. In planning the 635-mile extension to the Interprovincial system, oilmen provided generously for the future.

Completion this month of this $85 million extension not only brings additional potential markets within economic range of western oil but also removes most of the disrupting seasonal pattern out of the industry.

Formerly, eastward movement of oil out of Superior by tanker was cut off at the close of the navigation season (four or five months). The extension now permits regular transportation schedules closely in line with market demand. It also does away with necessity of building and maintaining extensive storage facilities at pipeline terminal points and refinery sites.

The pipeline extension is presently being water tested and it is expected to have first western oil flowing through it early in December. With extension, the line constitutes the longest crude oil line in the world (1,762 miles). Although the additional link was built of 30-inch diameter pipe and provides for an ultimate capacity of 300,000 b/d it is proposed that in the first stage it will operate at around 85,000 b/d rate. This throughput can be increased in an orderly stepwise manner as markets develop.

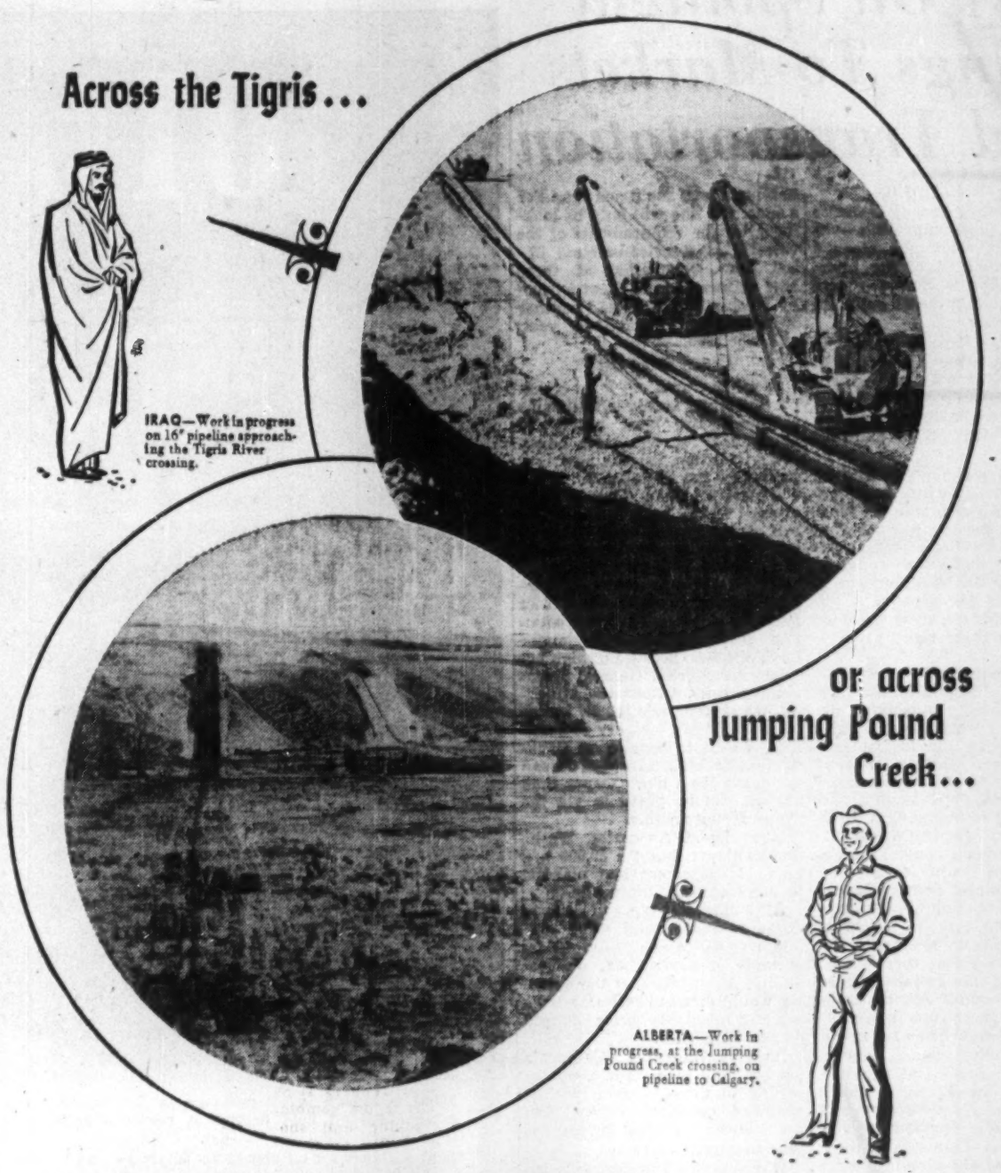
To sustain operation of the extension at its initial throughout rate, and to meet increased oil requirements in the Superior area, Interprovincial has also had to boost capacity of sections of its main line. Some 135 miles of former 16 in. diameter line in the Regina-Gretna section has been looped with 24 in. pipe and capacity of certain pumping stations has been increased.

An Underground Network

The pipeline extension will tap a major section of the fast-growing Ontario oil market; will bring within range a peak refining capacity of 120,000-130,000 b/d. Over 100,000 b/d of this capacity is represented by three refineries in Sarnia. Construction of two products pipelines from refineries at Sarnia to Montreal—one by Imperial Oil, the other, a combined project by Sun Oil and Canadian Oil Cos. — provides a low-cost, year-round transportation system throughout Ontario to Toronto.

The 718-mile, $92 million Trans Mountain oil pipeline from Edmonton to Vancouver started operating toward the end of October. It is currently moving some 22,000 b/d through the line. But this will be gradually stepped up to some 45,000 b/d when additional refinery expansion now under way in B. C. is completed. When the new refinery of General Petroleums at Ferndale, Wash., comes on stream toward the end of 1954, throughput will likely be stepped up a further 25,000-35,000 b/d.

In announcing a short 24-inch pipeline extension south from the main line into Washington state, Trans Mountain officials gave notice that they will not only bring oil right to the door of the Ferndale refinery but will provide the first step in what could be a southern pipeline march into the U. S. Pacific Northwest. Whether the line ultimately proceeds southward to Seattle, Portland, Ore., and maybe northern California, will depend a great deal on how these markets develop, foreign competition and rate of increase in Canadian crude oil reserves.



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Distributed in Canada by Crane, the "S and L" line includes casing 16" O.D. down to 4½" O.D., and seamless linepipe 16" and smaller. All material is furnished to A.P.I. specifications and thoroughly protected for shipment.

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Oil Firms Progress Reports

Pacific Petroleums

The outlook now appears very bright for Pacific Petroleums realizing in an important way on the substantial gas reserves established by the company and its associates in the Peace River country. All the necessary consents have been secured in Canada for construction of the Westcoast Transmission line to export gas from this area to the Canadian-U.S. west coast and only the final FPC consent in the U.S. remains to be secured.

As a result of the efforts of Pacific Petroleums and its associates (Canadian Atlantic Oil, Peace River Natural Gas, etc.), wet gas reserves exceeding 1½ trillion cu. ft. had been established by May, 1953, in the Fort St. John sector in B.C., and these have since been extended by further drilling.

Pacific Petroleums has a substantial interest in Westcoast Transmission Co. Tentative financing (subject to FPC approval) is stated to be $58 million 4% bonds to Prudential Life Insurance, New York Life Insurance and Northwestern Mutual; $25 million bank loan 3-3½% secured by first mortgage bonds, $18 million preferred stock to be sold in Canada through Wood Gundy & Co. and Nesbitt Thomson & Co. and in the U.S. by a syndicate headed by Eastman Dillon & Co. (preferred would carry a bonus of one common share); $10 millions in common stock, committed to Pacific Petroleums and other sponsoring companies.

While the company is majoring on gas right now, Pacific Petroleums has substantial interests in oil wells with its major holding an average interest of approximately 28% in 72 wells in the Redwater area completed in 1949-50. Other productive oil interests are held at Excelsior, St. Albert, Leduc and Erskine.

Pacific has substantial other gas interests in the Peace River besides reserves in the St. John area. And on 350,000 acres in the Fort McMurray (Athabasca country) of Northern Alberta, drilling has shown over 1,750 million bbls. of oil in the 3% of this bituminous sands area drilled so far.

Net income from wells in the year ended Feb. 28, 1953, amounted to $723,839 and drilling credits amounted to $820,082. After all expenses including over $600,000 written off for unproductive development and depletion, a net loss of $7,402 was reported. Working capital amounted to $2.1 millions at the beginning of the year.

Dome Exploration

Dome Exploration (Western) at March 31, 1953, held varying interests in 44 producing oil wells and three potentially productive gas wells for a net interest of 23.91 wells. Company reported crude production in 1952 of $1,184,021 and after writing off $375,988 for exploration costs, dry holes, lease abandonments, etc., and $301,723 for depreciation, depletion and amortization, there was a net loss of $179,272.

Feature of 1953 was the great extension of oil lands with interests held in 1,286,206 acres at March 31, 1953, reflecting addition of more than a million gross acres from the beginning of 1952. New acreage holdings include ground in Northeastern B.C., Alberta, Saskatchewan and Manitoba.

Increased development activity has been a feature of the Drumheller region recently where the company has considerable acreage as well as some production.

A 25% interest will be held in a proposed well in the Rimbey area of Alberta to be put down on two quarter sections in association with Canadian Decalta, Bay Petroleum Corp., and West Canadian Petroleum. A 25% interest is also held in a wildcat well to be drilled in the Cooking Lake district on a Canadian Superior farmout.

Balance sheet as at Dec. 31, 1952, showed $1,612,934 current assets as against $355,695 current liabilities. There were $4,432,000 of 4% notes due Feb. 1, 1963, also outstanding, and two million common shares.

Canada Southern

Canada Southern Oils and Royalite Oil Co. completed their 100th development well in the Coleville heavy crude field in the early part of 1953 and the interest of Canada Southern in heavy crude production from this southwestern part of Saskatchewan was also enhanced by successful drilling by Trans Empire on lands farmed out by the company in the Buffalo Coulee section.

While chief interest centres in the heavy crude developments in and around the Coleville area, Canada Southern has also been interested in a wide range of oil and gas exploratory and development projects elsewhere both through its own activities and work by others on Canada Southern (Albercan) lands.

A wholly owned subsidiary in the U.S., Canada Southern Oils Inc., has rated a two-mile extension of the Big Muddy field in Converse County, Wyoming. This success was on a 200-acre tract while another subsidiary holds 240 acres in the immediate vicinity of the well.

A well drilled jointly with Pan Western Oils found about 6 ft. of pay zone in the Basal quartz at Whitemud, Alberta, the latter part of 1953. At Dewar, Saskatchewan, a well showed an initial potential of 5 million cu. ft. of gas a day. In the Cook Lake area of Saskatchewan, a wildcat well has proved capable of producing 10 bbls. of oil a day on an 81,120-acre farmout from New Superior and associates drilled by Canada Southern for a 50% interest.

Canada Southern did not set up a profit and loss account in 1952, its operations being treated as still in the development phase. Balance sheet as at Dec. 31, 1952, showed $5,709,957 current assets as against $1,878,115 current liabilities. There were $8,201,000 of convertible debentures outstanding. Bulk of these debentures were retired in 1953 through conversion into shares with 4,645,430 shares issued in October, 1953.

Petrol Oil & Gas

Petrol Oil & Gas at last report had interests in 16 producing oil wells and 44 gas wells in Ontario and Alberta plus acreage interests in these provinces and Saskatchewan.

From its early days, the company has a 100% interest in 40 gas wells near Brantford, Ontario. Later interests include 3% stake in five oil wells at Redwater, 20% in three at Caprona, a 17% share in six oil wells at Camrose, 20% in two wells at Armena.

Production and royalty revenue grossed $33,905 in 1952 and there was a net profit of $1,456 after all charges. Working capital amounted to $234,713 at the beginning of the year.

North Canadian

During 1953, North Canadian Oils acquired all the shares of North Western Pulp & Power Co. and Bryan Mountain Coal Co. from New Pacific Coal & Oils and assumed an account receivable owing by Bryan Mountain Coal Co. of $350,342 for a consideration of the issue to New Pacific of a million North Canadian shares.

Some 18 producing oil wells have been completed by the team of North Canadian Oils and Western Homestead in the Armena area with North Canadian holding a 50% interest. Including production from five Dina field wells, crude output, less royalties, amounted to $300,259 in the year ended Nov. 30, 1952, the latest reported. After operating expenses and $141,031 of write-offs, there was a net loss of $11,326. Balance sheet as at Nov. 30, 1952, showed $283, 366 current assets including $140,323 cash as against current liabilities of $22,158.

The company's president has estimated that granted an extension of markets, the company could achieve an oil output in the neighborhood of $500,000 a year.

Cdn. Pipe Lines

Canadian Pipe Lines Producers has completed 13 oil producers on its acreage in the Virden area of Manitoba. Production from these is running about 400-500 bbls. daily. In addition a stake is held in 11 oil wells in Armena and Leduc light oil fields and in two heavy crude wells at Chauvin.

The company's largest land holdings are situated in Northeastern British Columbia adjacent to the proposed natural gas pipe line to the West Coast. Land spread includes 23,907 acres of leases and 2,560,000 acres of reservations. A 30% interest is also held in three capped gas wells of the Pacific Petroleums group in the Sunrise area of British Columbia.

Cash position of the company was recently increased by about $300,000 from the sale of stock at $1.40 a share in October of this year. A total of 2,975,000 shares are now outstanding, out of 3.5 million shares authorized.

Ponder Oils

Ponder Oils shares in the production from 35 oil wells in the Leduc, Coutts-Red Coulee and Bonnie Glen fields of Alberta and in Montana and Texas. The company's oil income is estimated at around $120,000 per quarter while a wholly owned drilling subsidiary should earn about $30,000 a quarter, according to a company statement. Working capital was $370,000 at the end of August, 1953.

In Montana Ponder has a half interest in two leases totaling about 1,000 acres. Four producing wells have been completed on one tract and drilling is under way on both. On a further 80 acres in which the company has 60% interest, one successful well has been brought in. Two wells are producing on lands in Texas in which the company's interest is 50% and a deep test is being participated in.

With Rio-Prado Consolidated the company has five wells on a 320-acre lease in the Coutts-Red Coulee area of Alberta just north of the Montana border. The wells produce a total of about 100 bbls. per day. Three locations remain to be drilled. Ponder is also sharing to the extent of 67½% in exploring 350,000 acres in the oil sands area of Northern Alberta, and plans to share in the development of natural gas reserves in that province.

Outstanding capital includes $1,497,000 convertible 5% debentures due 1965 and 1,978,380 shares of common stock.

Chamberlain Oil

Discoverer of the South Edmonton light oil field, Chamberlain Oil & Gas now has four producing wells in the area. In addition one driller was capped as a potential gas well and one was a dry hole. Oil reserves have been estimated at 600,000 bbls.

Natural gas was found by a company well in the Bindloss district. Potential of the well from the productive Bow Island sand was rated at 10 million cu. ft. daily. A second venture is under way, three miles southwest of the discovery. Other wells in which Chamberlain participated in the Buffalo and Oberlin-Stettler areas were abandoned, and drilling has been suspended at a wildcat at Clearwater River.

The company also has acreage holdings at Baxter Lake, Grande Prairie, Chauvin and Erskine, all in Alberta.

Wilrich Pete.

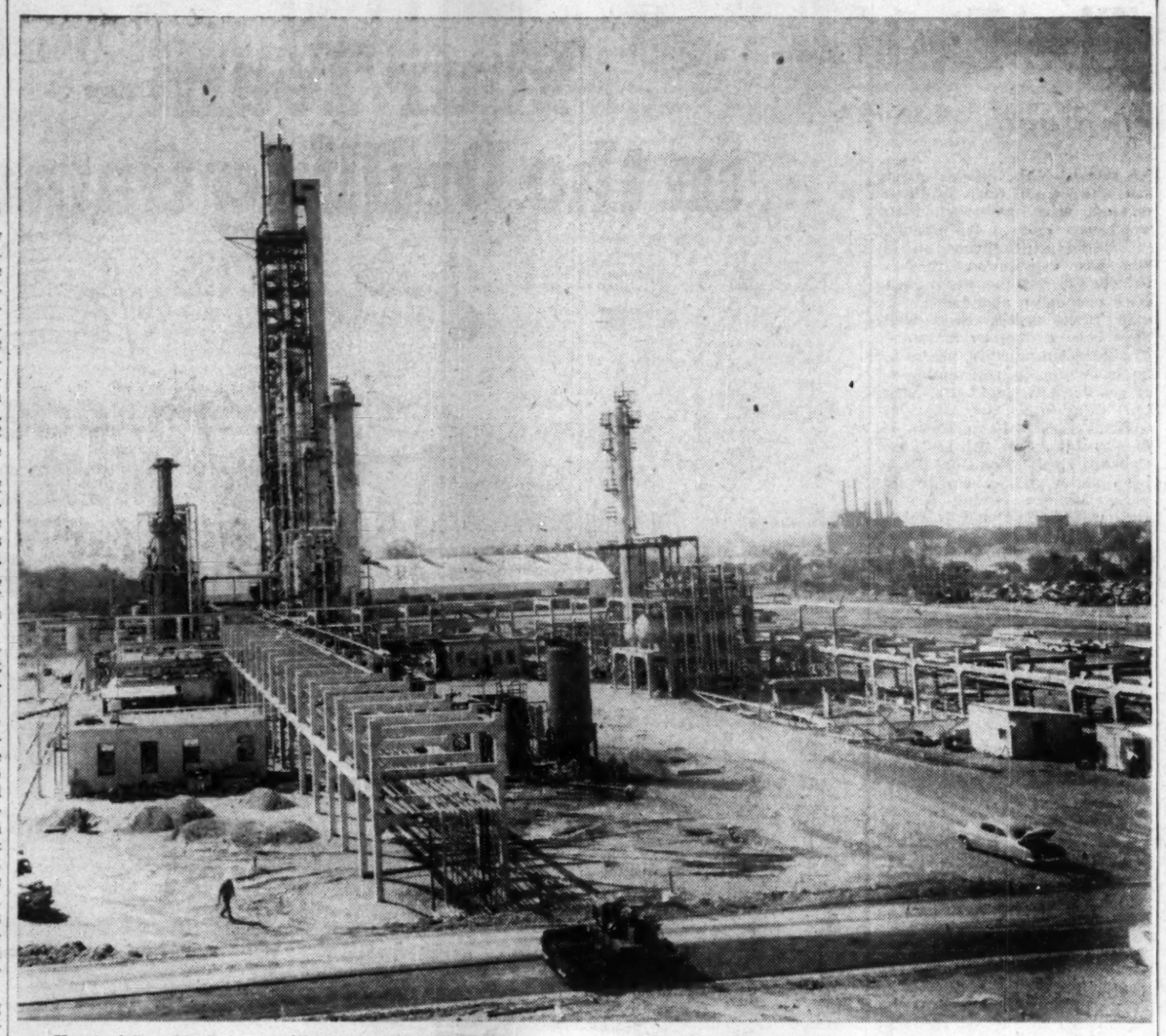
Larger allowables arising from completion of pipeline projects are expected to be reflected favorably in revenue of Wilrich Petroleums, President G. A. Richardson said in the 1953 annual report.

There was gross oil revenue of $91,211 and a total revenue of $143,694, but after all expenses a net loss of $36,876 was shown the most recent year.

Activity in the latest fiscal year was mainly in the Lloydminster and Maidstone areas and number of wells in which a direct interest is held increased from 88 to 127. In the Poplar field, Montana, one well is currently pumping 150 bbls. a day, a second is swabbing 30 bbls. a day and a third was recently drilling in the Charles formation.

Excelsior Refineries, Red Willow Drilling Co. and other companies in which Wilrich is interested are stated to have operated successfully in the period ended May 31, 1953.

At Sarnia: Canada's Newest—And Tallest—Cat Cracker



Heart of Sun Oil Co.'s new 15,000 b/d oil refinery at Sarnia which came on stream last week. This is the combination topping and Houdriflow catalytic cracking unit showing what is believed to be the tallest petroleum fractionating tower in Canada. This — Sarnia's third refinery — will boost total refining capacity in the area to some 110,000 b/d.

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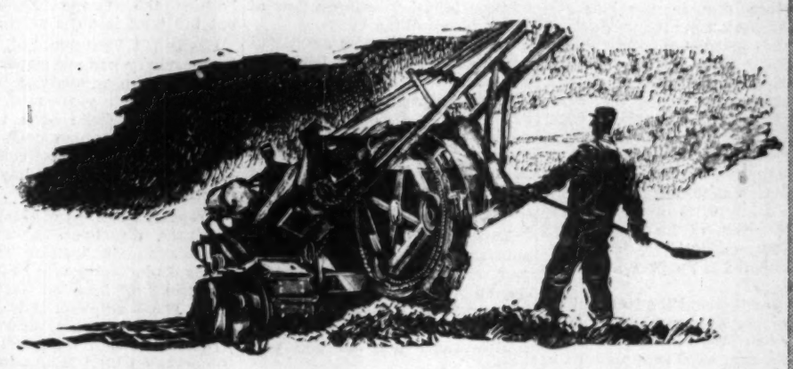

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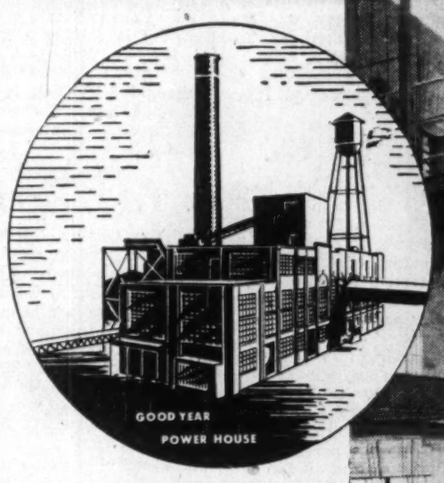
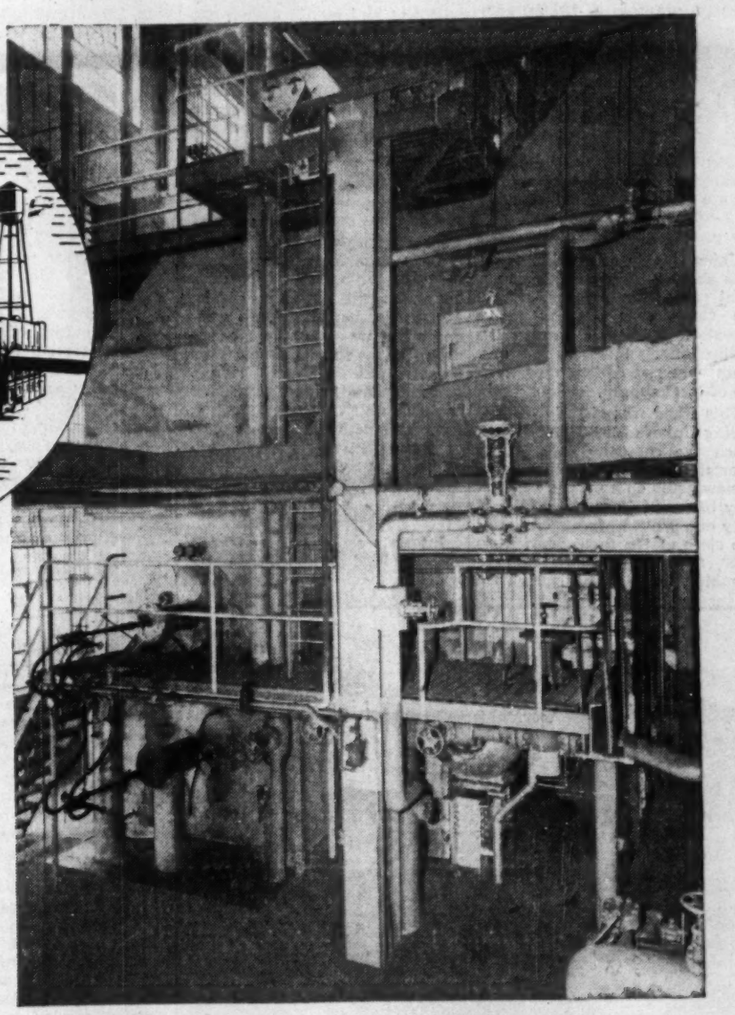


ANOTHER BABCOCK BOILER FOR GOODYEAR

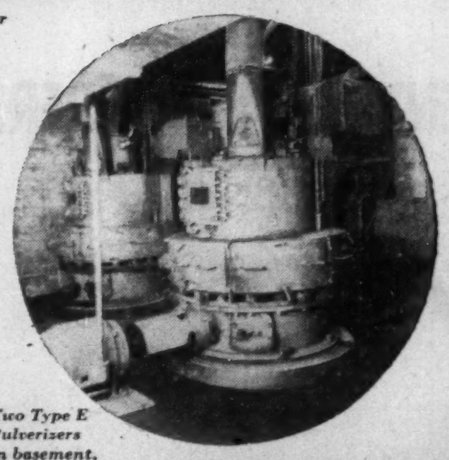


FH Boiler on ground floor

An important part of the expansion program of the Goodyear Tire & Rubber Co. of Canada Ltd., at their New Toronto Plant, is the installation of another Babcock Boiler to meet increasing steam requirements.

The new type "FH" Boiler has a designed capacity of 100,000 lbs./hr. at 715 lbs. P.S.I., superheated to 750°F. and is fitted with a Tubular Air Heater.

The Boiler is supplied with fuel from 2 Babcock Type "E" Pulverizers (illustrated in lower circle) and has 2 Babcock "Y" Jet Oil Burners fitted for use in case of fuel scarcity or where economy dictates.



Two Type E Pulverizers in basement.

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ON MARKET DOORSTEP

The Oil Play—And Pay—In The East

Oilmen Probing From Ontario To Newfoundland

Eastern Canada provides the largest market for the products of Canada's petroleum industry. But of course from a crude oil and natural gas production standpoint, the area ranks below the West.

Last year in Ontario, natural gas output of about 7.9 billion cu. ft. was equal to only 10% of the national total, while crude oil production at 192,000 bbl. amounted to a tiny 0.3% of the total for Canada. None of the other eastern provinces except New Brunswick are included in the production picture.

Despite this and the fact that the proportion of dry holes is a lot higher in Eastern than in Western Canada, exploration aimed at discovering new gas and oil fields continues from Ontario to Newfoundland.

This year, the tempo appears to have speeded up. In Ontario, it is predicted, expenditures on exploration should hit around the $2.5 million-mark in 1953, 25% higher than 1952. Next year, they may increase again to $3.5 millions or so.

A number of factors are helping encourage exploration in Eastern Canada, besides, of course, the likely looking gelogical formations which occur in some places.

For one thing, the sedimentary strata that are potential sources of oil are found nearer the surface in Ontario than in most of the West. The strata are thinner. While this indicates that pools are not likely to be as thick, it also means that drilling costs are lower.

In Haldimand County, for instance, $3,000 to $5,000 will drill a well, while in Lambton County it costs around $15,000 to $20,000. Contrast this with the $30,000 to $75,000 many Western wells run.

Another point is that because the oil is closer to the market, the price is higher. Where Western Canada producers might receive about $2.60 a barrel, producers in Ontario would probably get 40c a barrel or so more.

Survey Work

Leasing of land, survey work and exploratory drilling are all reported higher this year in Ontario, as companies attempt to add to the province's list of about 4,000 producing natural gas wells and 1,500 oil wells.

Calvan Consolidated Oil & Gas and its associates, for instance, recently granted a 120,000-acre farmout in Western Ontario to a major oil company. The latter will carry out a three-year program to earn a 50% interest in the lands and Calvan's residual interest will total some 30,240 acres.

Calvan has carried out a gravity meter survey on other Ontario holdings and is considering drilling a well. It holds mineral rights on a total of 115,222 gross acres in the province (65,738 net acres).

Union Gas Co. of Canada, which sells about 9 billion cu. ft. of natural gas annually in southwestern Ontario, is another active operator. It has expanded its drilling efforts this year in a program aimed at finding new sources of local supply.

This trend was already evident during Union's 1952-53 fiscal year, when the company confined its efforts almost entirely to drilling in new areas on a purely exploratory basis. Of 15 wells put down, only one proved productive; after the close of the fiscal year, however, a well in a new area of Lambton County was brought in with an initial daily open flow of some three million cu. ft.

Union did drill four additional producers in its Mosald field during the year. The company now has 10 producing gas fields with some 318 producing wells and, while purchased gas provides most of the company's requirements, about a fifth is furnished by its own wells.

Imperial Activity

Imperial Oil, of course, has a substantial stake in Ontario's oil and gas production. It has a producing oil and gas field at Becher, a gas field at Kimball and a gas field near Corunna, all in the southwestern part of the province.

Imperial has drilled a great number of exploratory wells in Ontario in recent years. This year, the company is reported to have drilled in the counties bordering on Lake Huron, north of Goderich. It also has a survey crew in the Bruce Peninsula.

Various other companies are engaged in the search for oil and gas in Ontario. Consolidated West Petroleums has reported additional success in its drilling for gas in Lake Erie.

Most of Ontario's production comes from Lambton, Kent and Elgin counties. But Essex, Huron and Bruce counties are attracting more attention this year and the discovery near Watford has attracted a considerable amount of interest.

Quebec, Maritimes

Quebec doesn't figure at all in Canada's current oil and gas picture as a producer. There is some exploration work under way in the province, concentrated mainly in the Gaspe Peninsula, but the total is quite small.

Gaspe Oil Ventures Ltd., with its subsidiary and associated companies, has been drilling in the Gaspe for some years now. Various showings have been turned up, and seepages have been noted in a few parts, but the company has yet to come up with any commercial production.

Property holdings of Gaspe Oil Ventures, direct or through its subsidiary Continental Petroleums Ltd., include a 100% interest in 8,469 acres on Galt anticline, 17,698 acres on Galt Brook Dome and 2,482 acres on Terrace structure; a 40% interest in 54,000 acres on Bald Mountain anticline; and a 25% interest in 10,382 acres on Tar Point anticline.

Drilling operations have been under way on five oil wells located on four different structures.

At present, oil and gas production in the Maritimes is confined to one company — New Brunswick Oilfields Ltd. This firm draws its natural gas and crude oil supplies from the Stony Creek field, near Moncton, and also holds a 99-year renewable lease on gas and petroleum rights covering 10,000 sq. miles in New Brunswick.

Production from Stony Creek has been dropping slowly but steadily in recent years. In 1952, it totalled 202,045 M.C.F. of gas and 14,700 bbl. of oil, compared with 261,579 M.C.F. and 15,550 bbl. the previous year. Since 1945, all the company's available drilling equipment has been used in the search for gas, but with little success so far.

Earlier this year, negotiations for sale of N.B. Oilfields' assets to Stanwood Oil Corp. of Pennsylvania were underway. Stanwood was said to be planning substantial expenditures on oil and gas exploration in New Brunswick, but the negotiations were eventually abandoned.

In Nova Scotia, deep wells have been drilled by a number of different companies, but so far no commercially recoverable oil or gas deposits have been turned up.

Firms such as Nova Scotia Oil & Gas Ltd., Sun Oil Ltd., and Cabanga Exploration Co. have all been active, while, earlier this year, Dawmac Mining & Oils Ltd. was formed and is to investigate a 1,100 sq.-mile area of the Province. Dawmac is looking for base metals, oil and gas and its concession generally follows along the Cobequid Mountain range from Pictou to Economy, including sections of Pictou, Cumberland and Colchester counties; next spring detailed geophysical ground survey is to get under way.

Finally, exploration for oil also forms part of the development program being pushed by the Newfoundland government. So far, it's been only a small part, but activity would naturally increase sharply if any kind of a discovery were made.

John Fox, the U.S. financier, has a 10,000 sq.-mile concession along the west side of the island. Results from drilling are reported as encouraging, although existence of oil pools has not yet been definitely established. Two of the locations on which drilling has been under way are St. Paul's Inlet and Parson's Pond.

Progress of The Oil Firms

Merrill Pete.

The annual report of Merrill Petroleums for the 1952-53 fiscal year shows the company with the equivalent of 11 net producing oil wells reflecting participations in some 25 wells. Oil reserves of 3.3 million bbls. were equivalent to about 1.2 bbls. per share.

A net profit of $133,364 for the fiscal year with not quite 5c a share. On July 30, 1953, the company had interests in over 5 million gross acres in Canada and the United States representing a net interest of 699,287 acres.

Net income from contract drilling before provision for depreciation and administrative expense amounted to $911,834 in the year ended June 30, 1953.

Nine rigs are now in operation.

Net working capital amounted to $2,425,000 at June 30, 1953.

Merrill has been one of the more fortunate seekers after oil in 1953. With Socony and Seaboard, Merrill was in on the important Pembina discovery. A second strike was made by the same group in the same area 6¼ miles from the first. Merrill is participating in a 12-well program in the Hamilton Lake area, is partnered with Calvan in drilling at Homeglen, and shares a new oil strike at Sylvan Lake.

Model Oils

Interests ranging from 50% to 75% are held by Model Oils in 11 producing wells in the Leduc area and interests are also held in three wells at Turner Valley.

A net loss of $9,040 was recorded in the year ended May 31, 1952, but the full advantage of Leduc production was only being realized in the last two months of that period. Working capital was $122,8884.

Model has been the subject of a fight for control and there has been little reported in the way of development activity this past year. The company's shares were restored to listing on the Toronto Stock Exchange after trading was suspended for a time when a Toronto transfer agency was not maintained as required by Toronto Stock Exchange bylaws.

The company is expected to merge with Canadian Oil Pipelines and Mitmor.

Home Oil Co.

With higher production levels prevailing in Alberta in the latter half of 1953, Home Oil Co. stands a good chance of exceeding its 1952 oil output of 1,530,673 net bbls. Production of 792,401 bbls. of crude was reported for the first half of this year.

To permit a concentration of effort on building up oil reserves, dividends were discontinued early in 1953. Net recoverable reserves has been estimated at Feb. 1, 1953, at 24,600,000 bbls. of which 12 million bbls. were represented by Home's ownership of all the outstanding shares of Highland Leaseholds and Riverside Leaseholds.

Oilwell Operators, which is the operating and exploration company for both Home Oil and Federated Petroleums (75-25 ratio) has enjoyed success in development of oil resources in 1953 in the Erskine area of Alberta where four successful oil wells and one gas well have been completed. Oilwell Operators holds seven quarters in this section but one stepout venture didn't find oil in the D3 and was capped as a Lower Cretaceous gas well.

Net profit in 1952 at $605,967 or 27 cents a share was not quite half that of the previous year reflecting increased write-offs and a slightly lower dollar gross income. In securing ownership of Highland Leaseholds and Riverside Leaseholds, Home assumed $5 millions of funded indebtedness of these companies which is, however, not a direct Home obligation.

Pan Western

Pan Western Oils is to take a more active part in exploration and development of oil and gas in Western Canada. By agreement dated Sept. 1, 1953, the company has retained Catawba Corp. in an advisory capacity to assist in the conduct of its affairs to make available to Pan Western geological and other services and (subject to Catawba's existing commitments to Canada Southern Oils Ltd.) an opportunity to acquire a 20% interest in any freehold interest or leases which Catawba may acquire in Canada.

In consideration for such services, Pan Western has agreed to reimburse Catawba for the cost of such services, to grant Catawba a royalty of one fortieth of all its production of oil and gas, and also to grant Catawba an option on 1,000,000 shares at 50 cents a share exercisable within 18 months.

By agreement dated Sept. 30, 1953, Johnson & Co., Hartford, Conn., underwrote 100,000 shares at 25 cents a share and was granted an option on 900,000 shares at 25c to 45c a share. Shares outstanding following the underwriting were 3,549,030.

Pan Western has 6¼% carried interest in the Canadian Fina-Royalite program at Gordondale in northwest Alberta. Of 10 wells drilled six have been capped as gas wells. No. 11 now testing, found gas in Cadotte, Gething and Cadomin zones and a faint oil spray in the Cadomin. Maximum gas flow was at a rate of 10,000,000 cu. ft. daily.

With Canada Southern Oils the company is drilling a Devonian D3 test at Whitemud, Canada Southern-Pan Western-Imperial-Whitemud 8-16. Well is drilling below 5,797 ft. The company's chief production interests are at Leduc.

Tri-Tor Oils

Tri-Tor Oils is interested in production of heavy crude oil and natural gas, while wholly owned subsidiaries own and operate an oil refinery and a pipeline. Early this year the company acquired the assets of an affiliated company, Tor American Oils, through a share exchange. Basis was one free and one pooled share of Tri-Tor for each four Tor American shares.

At Bonnyville and nearby Cold Lake in Northeastern Alberta, the company owns 16 oil wells and 5 gas wells. The oil is processed at the refinery of a subsidiary, Bonnyville Oil Refineries Ltd. The refinery, built in 1953, has a capacity of 1,000 bbls. daily but it is planned to increase this to 2,500 bbls.

The natural gas is supplied to an RCAF airport and townsite under a 10-year contract calling for delivery of a minimum of 3 million cu. ft. daily. Deliveries began in October of this year. A five-mile pipeline of another subsidiary, Cold Lake Pipe Line Co. Ltd., carries the gas from the wells to the project.

Authorized capital of the company is 5 million shares; 4,268,674 shares are outstanding.

Mill City

Mill City Petroleums recently acquired all the assets and undertakings of Leduc Consolidated Oils Ltd. Consideration for the purchase was issuance of Mill City stock on a share-for-share basis, involving a total of 2,130,023 Mill City shares. The deal added interests in about six producing wells and scattered acreage in Alberta to the company's holdings, and increased its stake in a further 19 wells.

An interesting gas find has been made by the company and its associates in the Kessler area of East-Central Alberta. Three wells nearly six miles apart struck gas in a six to 15-ft. pay zone of the Viking sand at a depth of about 2,500 ft. One well has an open flow potential estimated at 67 million cu. ft. daily while the others were estimated at up to 5.5 million cu. ft. per day. The group holds about 58,000 acres in the vicinity, and Mill City's share ranges from 12½% to 20%.

In the Muriel area the company has a stake in another natural gas find, and in a gas and light oil discovery at Chancellor. Two followup wells in the latter area were unsuccessful.

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'53 OIL STRIKES

Three Major New Fields May Be Taking Shape

New Finds Pump Fresh Life Into Oil Reserve Picture

What about Western Canada's oil discoveries in 1953? Is the oil search still "paying off" with worthwhile new discoveries? Are there grounds for thinking that Canada's oil reserves will move above the two billion bbl. mark?

The number of good oil discoveries in 1953 will be found to be surprisingly large and at least three of the new discoveries—all in Alberta — suggest possible major new fields which could boost reserves into new high ground.

A feature of this year's discoveries too, has been the way oil is being found in both Saskatchewan and Manitoba as well as Alberta. Saskatchewan is taking its place as an important oil province. Manitoba appears to have excellent further prospects, as do British Columbia and the Northwest Territories and Yukon.

No less than 35 of 1953's oil discoveries in the three provinces rate a special mention for their productive possibilities. Of these, the bulk are in Alberta.

The Alberta Finds

Alberta's three top bracket 1953 oil discoveries appear to be the further Sturgeon Lake discoveries made by Amerada Petroleums in Peace River, 75 miles south of Peace River settlement; the Pembina discoveries 45 miles west of Wizard Lake; the Rimbey-Homeglen discoveries about 25 miles southwest of Bonnie Glen.

In each, oil is found in at least two wells separated by several miles with oil-water interface suggesting that oil from different wells is coming from the same pool. Only followup drilling will tell how great the productive areas will be, but the chances of big new fields is encouraging. All three discoveries are in the Devonian formation and pay zone thicknesses are substantial.

Another noteworthy discovery has been that in the Joffre area southeast of Clive where oil has been found in the Viking sand. Viking sand oilfields aren't usually as great in area or productivity as Devonian pools but the productive zone at Joffre has been shown to have at least a length of six miles and a new field, possibly like that of Joseph Lake, may be in the making.

A number of Western Canada 1953 oil discoveries have now got along so far that they are regularly established fields with quite a number of wells. Alberta has three of these 1953 developments, Saskatchewan six.

Here's the picture in Alberta on these new fields:

Battle — Discovered Feb. 16, 1953, by Bay Petroleum Corp., Bay South Camrose 6-11 well in L.S.D.6-11-46-20W4. Location is three miles south of South Camrose oil field. The field has seven producing wells and at the end of September, had produced 42,448 bbls. of oil.

Fairydell—Just six miles east of Legal oil field, 30 miles northeast of Edmonton. Union Oil Co. and Citation Oils found this field March 1 with a well which went to a depth of 4,478 ft. Both D2 and D3 zones of Devonian have proven productive. Five producing wells completed to Sept. 30. Production to Oct. 31 was 49,326 bbls.

St. Albert's—Located six miles north of Acheson-Stony Plain oil field, this new oil area was discovered by Stanolind Oil & Gas Co. and Imperial Oil, Jan. 6. Discovery well was drilled to 4,743 ft. and D3 zone of Devonian is productive horizon. Two wells completed to Sept. 30.

New 1953 fields established in Saskatchewan line up like this:

Dollard—By Sept. 30 four wells had been completed in this new area six miles north of Eastend Oilfield and 60 miles southwest of Swift Current. This field, discovered by Tidewater Associated Oil Co. on June 25, is producing from the Jurassic sands J2A zone whose top was found at 4,553 ft. Oil is relatively heavy gravity at 18 deg. A.P.I. No production had been taken until the end of Sept.

Forget — Located in eastern Saskatchewan, 50 miles southwest of Wapella, Forget was another discovery of Tidewater Associated Oil Co. Initial well completed Feb. 2, had initial potential of 3,600 bbls. per day of 29.5 gravity oil. Average well depth is 4,000 ft. and two producers had been completed by the end of September.

Java—By Sept. 30 four wells had been completed in this new field, discovered by Tidewater Associated Oil Co. Location is nine miles southwest of Swift Current, six miles east of Cantaur oilfield.

Initial potential on pump has been reported at 50 bbls. daily of 20-21 gravity oil but no production had been taken to the end of October awaiting a market for oil.

Mydale—Thirty miles southwest of Forget and 100 miles southeast of Regina, Mydale was discovered by Shell Oil Co., May 22. Two sections around the 4,600-ft. horizon have been found productive of 30-deg. gravity oil and four producing oil wells had been completed to Sept. 30. Output to Oct. 31, was 1,768 bbls.

North Premier—Discovered by Socony-Vacuum Exploration Co., Woodley Canadian Oil Co. and Southern Production Co. Inc. Feb. 2. North Premier is located 10 miles southwest of Fosterton, one of Saskatchewan's larger fields. Initial potential was reported at 200 bbls. per day of 24 gravity oil with production coming from Lower Cretaceous formation at about 3,250 ft. depth. A total of seven wells had been completed to Sept. 30 but again the wells have been shut in pending a market.

Rapdan — This oil pool, discovered March 23, is located 12 miles south of Eastend oil field, 75 miles southwest of Swift Current. Initial potential was about 100 bbls. per day of 23 deg. gravity oil with a well depth of 4,600 ft. Four productive wells had been completed to Sept. 30, with wells awaiting a market.

Where 1953 Drilling Has Paid Off

Field Name: Location:	Discoverers:	Depth of pay zone ft.	Pay Zone	Oil gravity
Alberta:				
Acme ..... 40 Miles NE Calgary	Cdn. Delhi-Banff	7,122	D3 Dev.	39.5
Bawlf ..... 12 Miles E Armena	Phillips Pete. Co.	3,550	D1 Dev.	30.0
Biggar ..... 60 Miles W Saskatoon	Edoran-Christie Ltd.	2,410	Blairmore	16.0
Borradaile ..... 14 Miles SE Vermilion	Driver-Arrow Dr.	1,780	Colony	20.5
Brooks ..... 80 Miles N Conrad	York-Pathfinder L.	3,467	Sunburst	25-26
Denhart ..... 90 Miles NE Conrad	Amurex	3,411	Madison	25.0
Elk Island ..... 22 Miles NE Edmonton	Old Settlers Oil	3,378	Low. Cret.	36.0
Ewing Lake ..... 4 Miles W Stettler	Canadian Gulf	5,524	D3 Dev.	29.3
Garrington ..... 12 Miles NW Olds	Shell Oil Co.	6,268	Cardium	36.4
Glen Park ..... 4 Miles SW Leduc	W. Homestead-S. J. Synd.-Stanolind-Petcal	4,690	Low. Cret.	36-38
Grassy Lake ..... 30 Miles NE Taber	Grassy L. Syndicate	3,035	Ellis	21.4
Homeglen ..... 20 Miles SW B. Glen	California Standard	8,031	D3 Dev.	39.5
Jenner ..... 40 Miles SE Cessford	Western L.-M. Mayrath	3,328	Sunburst	18-19
Joffre ..... 12 Miles SE Clive	Canadian Superior	4,880	Viking	40.0
Morinville ..... 5 Miles SW Excelsior	Quinalta Petroleums	3,802	D1 Dev.	36.6
Pembina R. ..... 45 Miles W Wizard L.	Socony-Seaboard-Merrill-Cdn.-Coil.	5,310	Cardium	37.0
Rimbey ..... 30 Miles SW Bonnie G.	Calmont Oils	7,995	D3 Dev.	41.7
Samson Lake ..... 12 Miles W Malmo	Western L.-Union Oil	4,790	Low. Cret.	38.4
Samson Lake ..... 12 Miles W Malmo	Cdn Gulf-Seaboard	5,352	D3 Dev.	34.0
Springburn ..... 30 Miles NW Normandville	Shell Oil-Imperial	6,763	Devonian	40.0
Steveville ..... 10 Miles SW Cessford	C. Allenbee-Maygill-Sweetgrass-Duvex	2,486	Viking	37.0
Sturgeon Lake ..... 75 Miles S Peace R.	Amerada Pete.	8,706	D3 Dev.	...
Sylvan-Bentley ..... 13½ Miles SW Rimbey	Seaboard-Honolulu-Merrill-Cancoll	6,232	Viking	36.0
Vulcan ..... 55 Miles NW Taber	Husky-Phillips Pete.	5,340	Low. Cret.	34.0
Saskatchewan:				
Frontier ..... 16 Miles SE Eastend	Tidewater Associated	4,500	Jurassic	...
Loomis ..... 20 Miles SW Eastend	Tidewater Associated	4,579	Jurassic	20.0
Smiley ..... 6 Miles W Coleville	Imperial Oil	2,309	Viking	38.0
Manitoba:				
Roselea ..... 1 Mile W Virden	McIvor Est.-Souris Valley, etc.	1,976	Madison	34.8
Whitewater ..... 60 Miles SE Daly	California-Standard	2,644	Viking	34.0

Surveys of The Oil Companies

Gridoil Freehold

Gridoil Freehold Leases and its controlling company, Anglo-American Exploration, are engaged in developing their Gull Lake field in southwest Saskatchewan. The team jointly holds 5,120 acres on which 16 oil wells have been completed and four abandoned. The main field produces oil of 23 degrees gravity from the Jurassic formation, while in the northern sector 21-degree oil is also found in the Basal Cantuar sands.

On lands wholly owned by it in the northern part of the field, Gridoil has also completed 10 oil wells and had two failures. No production was taken from the field for the first 10 months of this year as no transportation was available, but a gathering system and trunk pipe line are to be built to carry oil to the railroad a few miles away.

Gridoil also holds 522,000 acres of freehold lands, chiefly in southern Saskatchewan and southwestern Manitoba.

British Empire

British Empire Oil Co. has acreage holdings with the recent acquisition of one million acres in Western Canada and in Oregon and the Williston Basin area of the U. S. Consideration for the purchase was cash and treasury stock. In addition, the company has undeveloped lands in Alberta, Manitoba, British Columbia and Northwest Territories.

Income is received from 18 oil wells in Alberta and Illinois and from a one third interest in McIntyre & Webster Drilling Co. Investment portfolio includes approximately 250,000 shares of Trans Empire Oils Ltd.

Plans are under way to drill at least four wells on or near company property in the Williston Basin at no cost to it, while a 12½% stake is held in 6,000 acres farmed out to Sun Oil Co., which will drill a test well. Exploration of the company's holdings in B. C. will also be continued.

Marwayne Oils

Marwayne Oils Ltd. holds approximately 1.7 million acres, of which 1.2 million are in the Peace River area of Alberta. The remainder are scattered throughout Alberta and in Manitoba and Saskatchewan. The company's income derives from its stake in 10 oil wells in the Armena-Camrose, Hamilton Lake and Elk Island areas of Alberta and from one well in Texas.

At Hamilton Lake the company and Dragon Oils & Gas obtained three farmouts totaling 800 acres. One oil well has been completed on each tract and a followup well on one half-section was successful but one on another 320 acres failed to find production. In Texas Marwayne has a one third participation in 696 acres in Anderson County, on which a well has discovered oil of 45 degrees gravity at 8,970 ft. depth.

Canadian Admiral

Canadian Admiral Oils and three other independents have scored a further success in Texas with completion of four wells in Jones County. Three wells found pay zone at depth of 2,970 ft. while the fourth produces from 4,534 ft. Further exploration and development is planned for the team's acreage; Canadian Admiral's share in the program is 12½%.

The company also holds interests in 15 oil wells in Alberta, four in Montana and two others in Texas, plus a varying stake in undeveloped lands in Alberta, Saskatchewan, Manitoba and British Columbia. Small interests are held in two capped gas wells in northwest Alberta.

Proven oil reserves of the company in Alberta are estimated at approximately 500,000 bbls.

New Continental

In addition to holding interests varying from 25% to 100% in 35 oil wells at Leduc and Bonnyville and royalty interests in 108 wells in the Turner Valley and Leduc fields, New Continental Oil Co., through a U. S. subsidiary, has a major share in 39 oil producers in Texas.

Net oil reserves of the company were recently estimated at approximately 20 million bbls., of which 17 million bbls. underlie the Texas properties. Gross production in Jan., 1953, was at rate of 69,000 bbls. monthly.

In the Bonnyville heavy crude oil field in northeast Alberta, the company holds about 200,000 acres on which nine oil wells have been completed. In addition, participations are held in several exploration projects now under way. A 15% stake is held in a program being carried out on 350,000 acres covering the bituminous sands of the Athabasca region. Concessions are also held on 800,000 acres in Israel.

Authorized capital of the company is 6 million shares, all of which are outstanding.

American Leduc

American Leduc Petroleums recently increased its capitalization to 5 million no par value shares from 3.5 million shares, all of which were issued and outstanding.

The company holds interests in leases and reservations in Alberta and in 18 light and heavy grade oil wells in the Leduc, Bashaw, Armisie and Bonnyville fields. Participation has been taken in further development at Bonnyville in northeastern Alberta. This resulted in one oil producer and four abandonments.

Oil reserves were estimated at the end of 1952 at 650,000 bbls. of light oil and 40,000 bbls. heavy crude.

Amurex Oil

Amurex Oil Development Co. is currently developing its shared holdings at Cessford and Sunnynook in Alberta, while carrying on exploration on extensive acreage in southwestern Saskatchewan.

In the latter area, the company has a farmout of 628,000 acres, on which of 10 wells drilled, one was completed as an oil producer and another returned an encouraging show of oil, both from the Jurassic formation which is productive elsewhere in the district. One well was capped as a potential gas producer while seven were abandoned.

At Cessford the company and Trans Empire now have 17 jointly-owned oil wells while Amurex has also found oil on 540 acres wholly owned by it.

An offer of rights made in July of this year covering 250,000 shares at $11 a share resulted in 32,316 shares being taken up by shareholders while the remainder were issued to the underwriters as per agreement. There are now 750,000 class A shares outstanding of an authorized 1,250,000. The class B stock is held by private interests in the United States.

Bata Petroleums

Bata Petroleums is interested in the production of oil, natural gas, salt and potash, and holds nearly 700,000 acres in western and southwestern Saskatchewan. The company supplies gas for the town of Unity, to the Saskatchewan Power Corp. and to Western Potash Corp.

One of a group of companies headed by New Superior Oils of Canada which is carrying out exploration in Alberta and Saskatchewan, Bata holds 10% interest in 11 oil wells completed in the West Drumheller field of Alberta and in development program under way.

In southwestern Saskatchewan the group obtained an encouraging show of light oil from the Viking sand at its Cook Lake venture, drilled by Canada Southern Oils Ltd. on a farmout of 81,120 acres. Two other wells put down on these lands were abandoned.

Natural gas reserves of the company near Unity are estimated at 24 billion cu. ft. with a potential reserve of 100 billion cu. ft. The company's recoverable proven reserves of oil in the Marsden area are estimated at 1,855,000 bbls.

Bralsaman Pete.

Initial financing of Bralsaman Petroleums was aided by Anglo-Canadian Oil Co., which also assists in engineering and field supervision.

The company holds an interest in three wells at Leduc and in one at Taber, Alberta. Recently participations were taken in ventures in the Rochester and Hesketh areas of Alberta and in southwest Manitoba. The Rochester well resulted in a discovery of natural gas in four zones but a follow-up well was a failure. The company and its associates hold 7,500 acres in the vicinity.

In Manitoba the company shared in a number of wells, but all were abandoned, as was the Hesketh driller. Property holdings include approximately 200,000 acres wholly owned in northeastern British Columbia, 127,000 acres in the Williston Basin area of Saskatchewan and 20,000 acres in southwestern Manitoba.

A total of 775,000 shares of $1 par are outstanding of a total authorization of 1 million shares.

Canadian Decalta

Canadian Decalta Gas & Oil has improved its cash position through sale in Nov., 1953, of $508,000 convertible 5½% notes due 1968. A further $492,000 of the notes are reserved for exchange with presently outstanding debentures.

Of 12 wells in which the company participated in drilling during the past year, 11 were successful. The company has also been active in acquiring interests in proven and semi-proven properties in Leduc, Joseph Lake, Rimbey and Acheson fields in Alberta, and at Lake Arthur in Louisiana.

At Rimbey, company has obtained a 24% stake in 320 acres in the centre of the field. Three wells drilled by others have indicated a field approximately 10 miles long with an undetermined width. Production is found in the Devonian D3, where a 35-ft. oil pay zone underlies up to 396 ft. of gas cap.

Devonian oil reserves of the company are estimated at 544,000 bbls. and natural gas at 1,340,000 Mcf. Revenue was reported to be running at $10,000 monthly in November, 1953.

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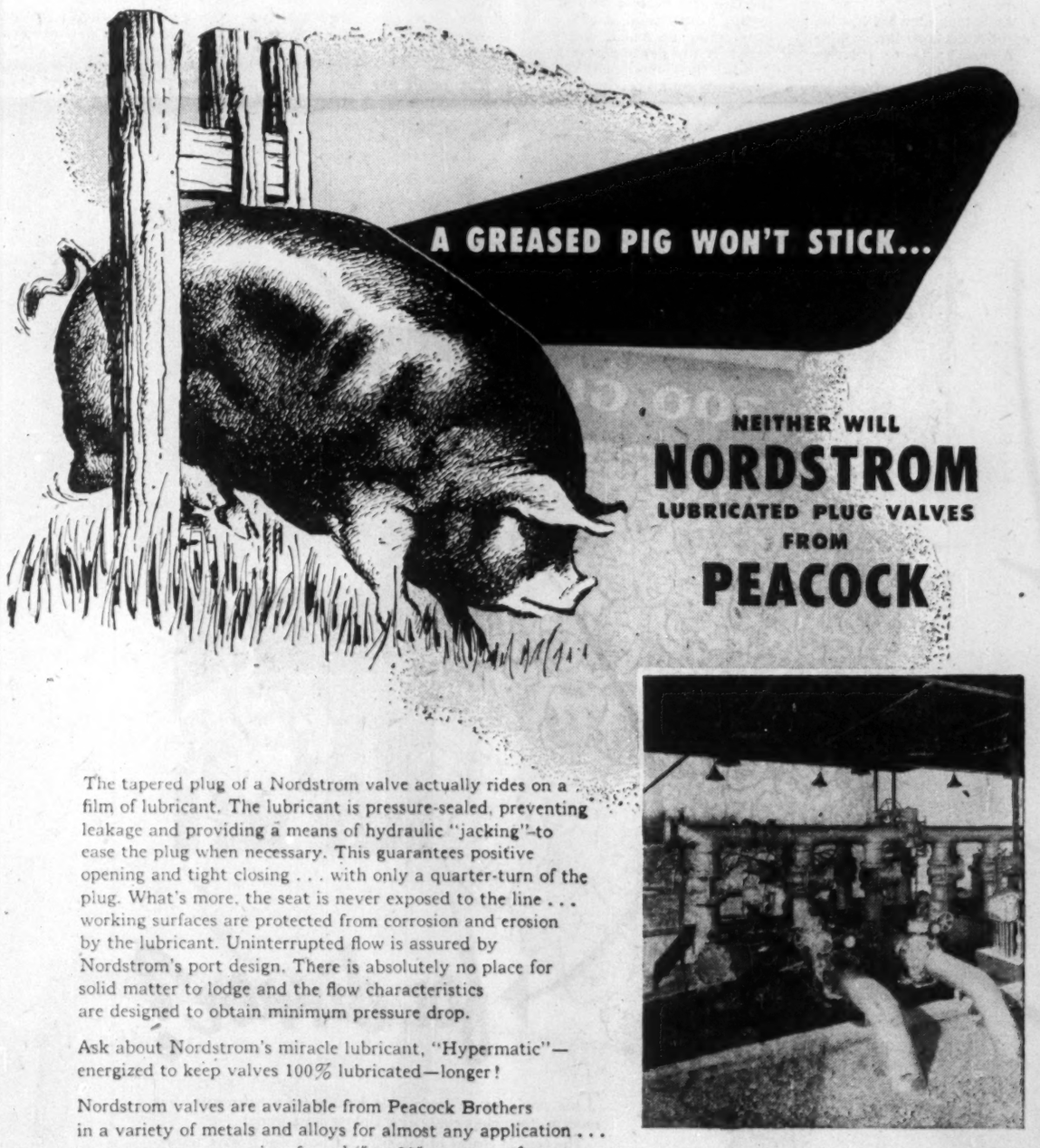

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How Black Gold Gilds Provincial Coffers In Alberta

The story of how oil-and-gas-happy Alberta is supposed to have offered, Texas-style, to guarantee the federal Government's credit in the event it had to increase its borrowing is a hoary one.

But there's no doubt the province has vastly improved its financial standing in the last few years.

In this improvement, the development of its oil and natural gas resources, plus general industrial growth which has accompanied this development, has been an important contributing factor.

Agriculture is still the largest wealth producing industry in the province. But oil and gas are nevertheless pouring large sums into provincial coffers, helping to pay for increased capital expenditures and to retire debt.

As oil and natural gas development proceeds in the other two prairie provinces—Saskatchewan and Manitoba—the effect on revenues there, while still a great deal smaller, is also becoming more important. British Columbia should also gain new revenues over the years, particularly from its already large natural gas reserves.

In a couple of years, for instance, Manitoba has increased its oil revenues from nothing to just over $100,000. That's a small sum in terms of a $55 million provincial budget, but it's likely to grow each year.

Saskatchewan's oil revenues are greater, because of the larger areas under exploration and development. Oil and natural gas are expected to bring in close to $4.4 millions in the 1953-4 year. Saskatchewan's revenues from all sources this year were estimated in the budget last March at $69.6 millions. Revenue from petroleum sources was $1,845,700.

Again oil and gas revenues, though larger than Manitoba's, are not very impressive in comparison with the total budget. But the amount of exploration and development in the provinces is on the increase, and so is production of both oil and natural gas. If some of the potential fields pan out as well as is hoped, Saskatchewan and to a lesser extent Manitoba, should reap significant cash harvests.

Let's look at what has happened in Alberta so far.

Alberta's treasury has received, since the Leduc find 7½ years ago in excess of $228 millions, according to official figures. In this period, industry has invested more than $1,000 millions in oil and gas development and so far has recovered less than 40% of its investment.

Indicating that oil revenues are still strong in this prairie province, the amount which the provincial government received from its crown-owned oil and gas rights in the first half of the current fiscal year was $31,145,000 — an annual rate of $60 millions. That was in the period from April 1 to Sept. 30, 1953. As late as October, it took in more than $7.9 millions in cash bonuses from the sale of oil rights.

In the fiscal year ended March 31, 1947, the revenue from oil was just under $900,000. This was practically doubled the next year and has continued to mount, with the result that the total for the fiscal year ended March 31, 1953, was $56,660,000. Some estimates of future revenues run as high as $100 millions annually.

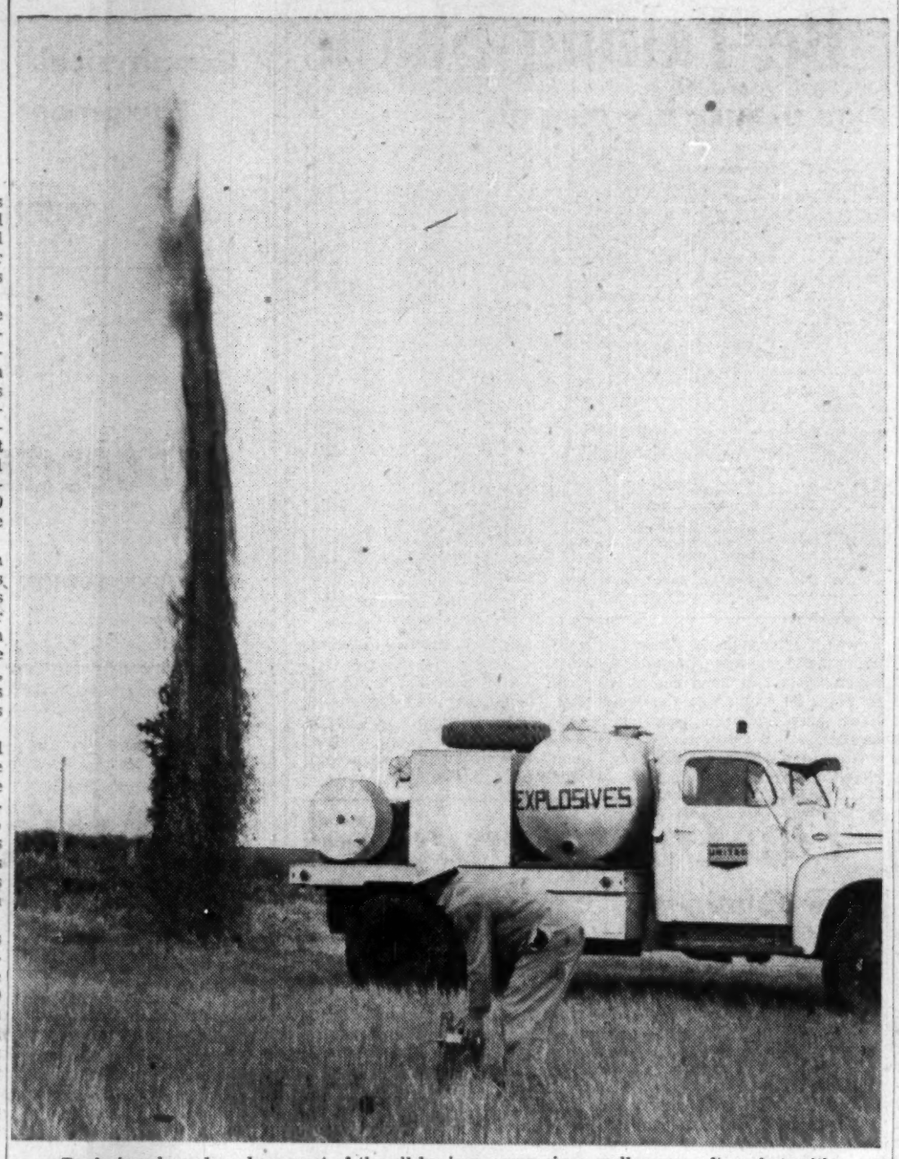
Ninety per cent of the oil and gas in the province belongs to the people as title to it is held by the province, it is contended by provincial officials. From this 90% the province receives revenues from exploration leases, royalties on produced oil and cash bonuses from crown reserves for which public tenders are called.

Petroleum and natural gas fees and rentals from leases, reservations and natural gas licenses have yielded the province nearly $60 millions in seven years. Royalties from oil and gas production out of crown-owned lands gave nearly $45 millions in that period. In six months of this year, bonuses paid for 37,531 acres of crown reserve lease lands amounted to $11,680,000.

Premier Manning has said that since 90% of the mineral rights belong to the Government, the Government's program is designed to allow private enterprise to develop the resources, and at the same time allow the public to benefit from development of the resources.

Those who wish to share in Alberta's oil development must first obtain a prospecting permit which allows exploration over a certain area of land. Within three years, a maximum of 50% of the land must be leased and developed. If the development is successful, the Government will take a royalty on all production.

Oil Exploration By Shock Waves



Explosions have long been part of the oil business ever since wells were often shot with nitro-glycerine to improve productivity by loosening structure. Acidization has to a considerable extent replaced shooting in production but explosions are more than ever being used in the initial search. Here an explosion provides a man-made earthquake, sending shock waves down to various rock strat lying below. Seismic crews record the time shock waves take to bounce back to surface, learn all-important facts about subterranean structure. Seismic surveys show the buried "wrinkles" in the earth's crust where oil pools may be hidden.

What has been done with all this oil money and what effect has it had on the provincial economy?

The Government's announced policy is to use the oil revenue to create more assets, because the Government's oil profits represent revenue from the depletion of an asset.

The result has been that the province is financing its highway program, public buildings and bridges out of current revenue, avoiding new debt charges and interest rates on loans.

On highways alone, the province budgeted for an expenditure of $48 millions this year, a record high, which includes the provincial share of work on the Trans-Canada highway within the province. Last year it spent $28.5 millions on highways, bridges and ferries. Larger grants have been provided for educational services.

Oil revenues have played in this way an important part in bringing about Alberta's strong financial position. The province ended the 1952-53 fiscal year, on March 31 last, with an over-all surplus of $26,548,446.

The operating surplus of $77,508,956 represented a $29,904,230 increase over the previous year while net capital expenditures were up $12,857,499.

Alberta also is in a position to pay off its public debt at any time and become Canada's first debt-free province. At the end of the last fiscal year, it had a net funded debt of $94,801,037. On the other hand, it had cash and investments totaling $108,397,993, more than enough to pay off the public debt.

Including the unfunded debt and certain guarantees for which the Government is liable, the total public debt was $102,466,718. During the last fiscal year, the Government paid off $3,871,440 of the public debt (most of it is non-callable before maturity).

One of the benefits of the province's financial strength was the expansion of a "revolving fund" to $22 millions for municipal borrowings. A total of 132 loans have been made since the self-liquidating projects fund was established four years ago.

The Government proposes to discontinue the Self Liquidating Projects Act at the end of the current fiscal year in view of the establishment of a more comprehensive municipal capital loans revolving fund of $25 millions.

The rates at which municipalities can borrow are approximately 2% below those currently charged on municipal debentures, saving municipal taxpayers about $500,000 annually in debt service charges.

Together with the $22 millions provided under the Self Liquidating Projects Act, the Government estimated that it could take care of the total estimated necessary capital borrowings of Alberta municipalities in the current year.

All repayments of principal go back into the revolving fund, and are to be supplemented annually by additional appropriations as provincial revenues permit. The objective is to eliminate as rapidly as possible all external municipal borrowings.

To what extent the Alberta Government has been able to offset its capital expenditures and retire public debt through revenues from sale of Crown petroleum and natural gas leases and from royalties on oil production is indicated by the following table (the oil revenue figures do not include revenues from rentals, fees, etc. under the Petroleum and Natural Gas Act, or revenues from royalties, sale of leases, rentals, fees, etc. from school lands, totaling in all in 1952-53 nearly $25 millions):

Fiscal Years Ended Mar. 31	Revenue From Oil Development	Expenditures on Capital Construction
	$ Millions	
1949	10.3	16.8
1950	26.6	16.8
1951	32.8	23.3
1952	22.5	24.6
1953	32.0	30.5
1954	25.5	38.7
	149.7	150.7
Funded debt retirement during period		29.7
		180.4

The foregoing table is based on budget estimates made in March this year, but the 1952-53 fiscal years for oil revenues are from the actual public accounts for that year. With the over-all revenues from oil this year running ahead of a year ago, the revenue estimate for the current fiscal year may be below actual results.

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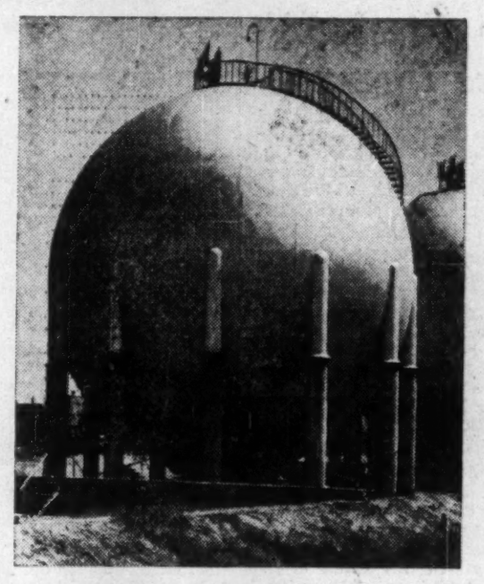

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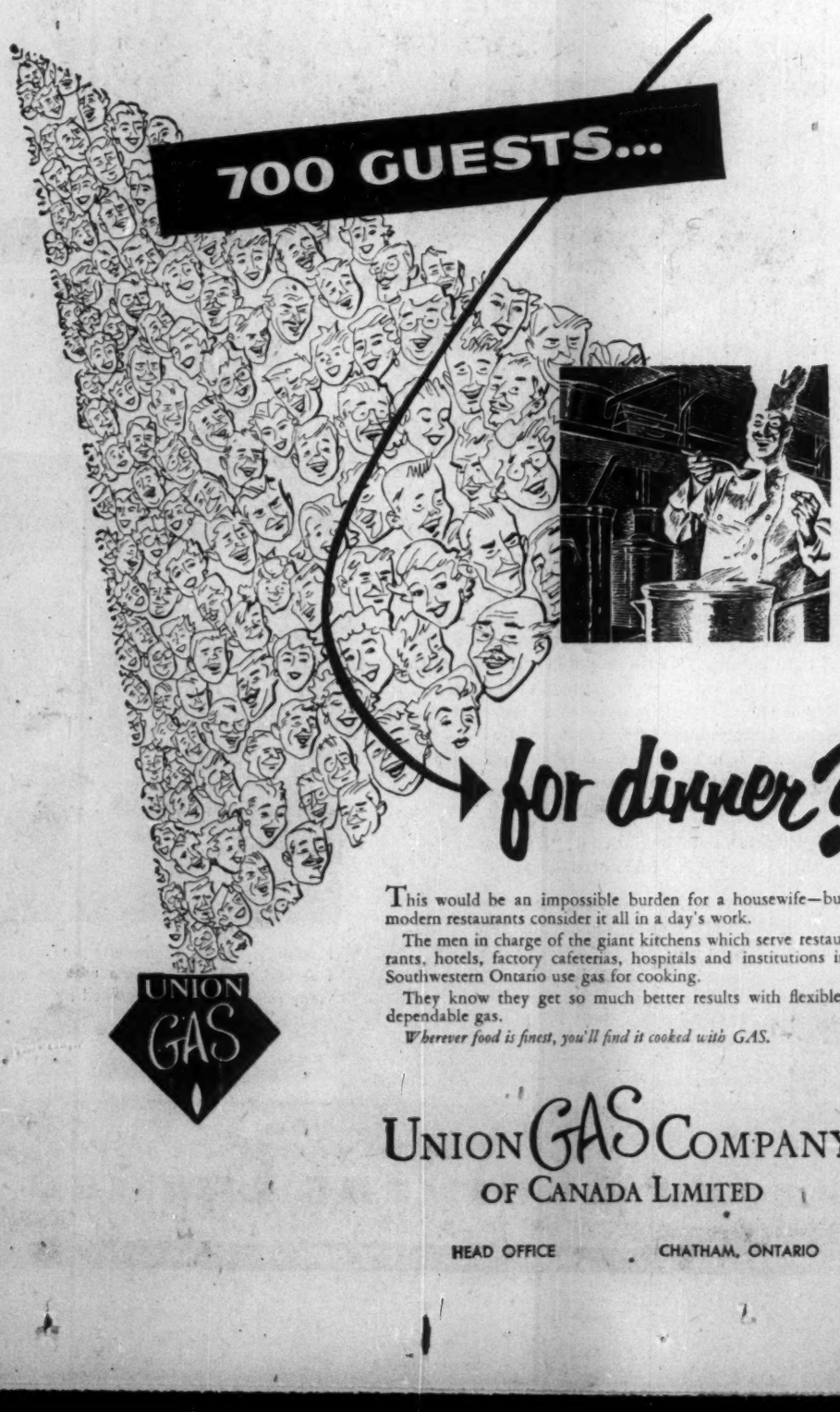

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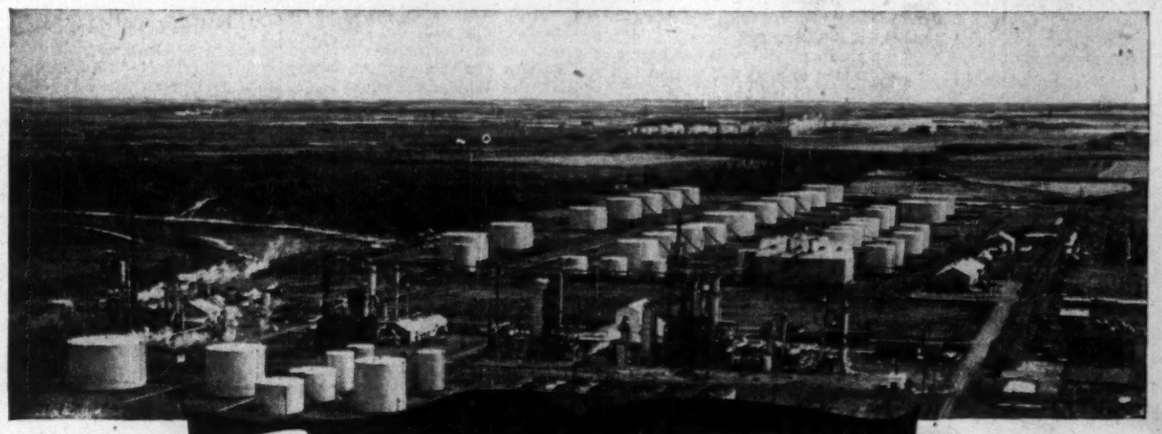

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CANADIAN CHEMICAL COMPANY'S VAST PETRO-CHEMICAL PLANT

CITY OF EDMONTON

IN SASKATCHEWAN

1953 Shapes As Biggest Oil Year Yet

High Gravity Finds Justify Past Faith and Hard Work

The completion of a 101-mile natural gas pipeline, the first sales of Crown reserve in the province's history, and the discovery of light oil of substantially higher gravity than has ever been found in the province, shaped up as the highlights of Saskatchewan's oil and natural gas picture in 1953.

Coupled with these major developments in Saskatchewan during the year was the steady, extensive expansion of the province's existing fields and the rapid increase of exploration in new areas.

The 101-mile natural gas pipeline completed this year from the Brock natural gas field to Saskatoon—Saskatchewan's second largest city—marked a milestone in the province's natural gas history. The pipeline, built by the government-owned Saskatchewan Power Corp., was started last spring and the transmission line, along with the distribution systems in Saskatoon, Rosetown and Delisle, were completed and ready for Service Oct. 1.

The pipeline, along with a shorter one completed last year from the Brock field to Kindersley, will one day become part of a planned province-wide natural gas pipeline network. The completion of the Brock-Saskatoon pipeline stands as existing evidence that all possible efforts toward the full utilization of Saskatchewan's mineral resources are being executed.

Another first was chalked up in Saskatchewan's oil and natural gas history in 1953—that of the province's first sales of Crown reserve land.

Crown reserve offer to bid in the first sale was in the Fosterton, Cantuar and Success fields north of Swift Current in West-Central Saskatchewan. From this initial sale of Crown reserve leases, the Saskatchewan Government received a total of $2,531,075, of which $2,223,385 was bid on just one section of land in the Fosterton field.

In the second Crown reserve sale, the last in 1953, bids totaled $32,960 for Crown land in the Brock-Newburg and D'Arcy natural gas fields.

Since these sales, six producers and one dry hole have been drilled on the Crown reserve offered to bid in the Fosterton field while two producers have been brought in on the Crown reserve offered in the Success field.

Light Oil Discovery

A third major highlight in Saskatchewan's 1953 oil review, the discovery of light oil in September at Smiley in North-Central Saskatchewan, has touched off a rash of activity in that area.

The discovery well, Imperial Smiley No. 7-15-31-25, located about two miles north of Smiley and 20 miles northwest of Kindersley, now is flanked by six more oil producers. The discovery well produced 36.4 gravity crude on initial tests and the step-outs from this discovery are bearing out the importance of the find.

In the Smiley area now are seven oil producers, one gas well and two more wells were drilling at the time of writing.

Another major development this year in Saskatchewan was the establishment of a formula for the payment of surface rights and capital damage compensation.

The suggested formula for the payment of surface rights, passed in November by the Saskatchewan Government, is not compulsory and was established by the Government to serve only as a guide in the formulation of fair and just compensation scales.

Also provided for in the suggested surface rights formula is a permanent arbitration board. Members of this board would consist of three persons of whom the chairman would be appointed by the Provincial Attorney-General.

One member of the board would be a representative of the Department of Mineral Resources appointed by the Minister, while the third member would be a representative of the Department of Agriculture, who would also be named by its Minister.

The decision of this board it is pointed out, will be final and in the event that the three members of the board cannot reach a final decision, the decision of the board chairman will be final and conclusive.

Another major development in Saskatchewan's oil and natural gas picture concerns the Brock field, supplier for the Brock-Kindersley and Brock-Saskatoon pipelines. Hearings are presently being held by the Saskatchewan oil and gas conservation board with representatives of companies operating in the field regarding the proposed utilization of operations in the Brock field.

Gaining Momentum

Saskatchewan's search for oil and natural gas for the past number of years has been gaining added momentum, and again this year previous development and production records have been shattered.

In the first nine months of 1953, oil production from the province's ever-expanding fields totaled 1,952,817 bbls., more than the entire production of crude oil during 1952. Crude oil production in Saskatchewan this year came from the following fields: Lloydminster, Lone Rock, Marsden, Coleville, Eastend, Fosterton, Wapella, Cantuar, Success, McLaren Sparky Pool, Waseca Sparky Pool, Maidstone Sparky Pool, and other undefined fields throughout the province.

Natural gas production totals for the first eight months of this year also indicated a record for 1953. At the end of August, natural gas production totaled 780,505 mcf, compared with 771,464 mcf up until the same time last year.

Natural gas production came from the Lloydminster, Lone Rock, Unity, Coleville, Brock fields, and the McLaren Sparky Pool and other areas throughout Saskatchewan.

The production statistics for this year, coupled with the expansion within the province's existing crude oil and natural gas fields provide encouraging evidence that Saskatchewan is destined to figure more and more prominently in Western Canada's oil and gas economy.

Following is an account of activity in Saskatchewan oil fields:

BUFFALO COULEE: This field is located 115 miles southwest of Saskatoon, about five miles northwest of the Coleville field. At latest reports, there were 28 wells capable of production in the field. Wells completed this year: 21 producers, one abandoned. Production to the end of October: 18,297 bbls.

CANTAUR: Situated 19 miles northwest of Swift Current, there are 23 producers in this field. Activity this year saw the completion of 14 producers and two dry holes during the first nine months of the year. Production from the field at the end of October was estimated at 28,108 bbls.

COLEVILLE: This field is about 110 miles southwest of Saskatoon and holds 93 wells capable of production. At the end of October, the field's 1953 production was estimated at 501,888 bbls. Up until the end of September 35 new producers had been added to the field in 1953.

DOLLARD: There are six productive wells in this field, which is situated 60 miles southwest of Swift Current. This year, six producers were completed and two ventures were abandoned. There has been no production from this field so far this year.

EASTEND: Six new producers and three dry holes were completed in this field this year. Located 75 miles southwest of Swift Current, there are a total of eight producers in this field. Production to the end of October totaled 1,566 bbls. (Shut in after January because of lack of transportation.)

FORGET: A new field this year, two productive wells were completed and three were abandoned. Located 50 miles southwest of Wapella, there has been no production from the field so far this year. Near Forget there are two producers and one dry hole drilled this year. Located four miles northeast of Forget, this pool is not believed to be connected with the Forget pool.

FOSTERTON: A total of 41 producers was reported in this field early this fall. Located 28 miles northwest of Swift Current, production for the first 10 months of 1953 totaled 61,278 bbls. During the first nine months of the year, 27 producers and six dry holes were completed in the field.

GULL LAKE: There was a total of 26 wells capable of production in this field in 1953, although there has been no production so far this year due to lack of transportation. During the first nine months of this year, 15 producers and four dry holes were completed in the field.

HOOSIER: Located 18 miles west of Coleville, there are two producers in this area. There was no further development work in the area this year and production from its producers totaled 1,701 bbls. during the first 10 months of 1953.

JAVA: This is another new oil field in Saskatchewan, and is located nine miles southwest of Swift Current. With the discovery well completed last March, there now are four producers in the field. There has been no commercial production from the field so far this year.

LLOYDMINSTER: This is Saskatchewan's oldest and most extensive field. The Saskatchewan side of the field this year boasted 418 wells capable of production at the end of September, with 260 wells actually producing. The total production from the Saskatchewan side of the field to the end of October was 1,244,332 bbls. Wells completed during the first nine months of this year included 39 producers and five dry holes.

MIDALE: Another 1953 addition to Saskatchewan oil fields, there are five producers in this field. Located 100 miles southeast of Regina, production at the end of October totaled 1,768 bbls. Another well southeast of the Midale field, Killgore-Leytze No. 1, is considered to indicate a possible extension of the Midale field.

MIDWAY: Although there is no recorded production from this field this year, there is one well in the field capable of production.

SOUTHEAST MIDWAY: There are two wells capable of production in this field.

NORTH PREMIER: Another new field in Saskatchewan this year is North Premier, and to date exploration in the field has been encouraging. Although there has been little production this year pending market conditions, drilling activity resulted in seven producers and two dry holes during the year.

RAPDAN: Located 75 miles southwest of Swift Current, Rapdan is another new Saskatchewan oil field. The discovery was made last March, and now the field holds four producers, although no production has been recorded as yet this year.

RATCLIFFE: This field is located 110 miles southeast of Regina and at the end of September there were two producers in the field. Production from this field totaling 6,859 bbls. was recorded for the first 10 months of 1953. By the end of September, completed wells resulted in one producer and one dry hole.

SUCCESS: This field, located eight miles east of Fosterton, has 40 producers, according to latest reports. With a production total of 153,417 bbls. for the first nine months of the year, activity in the field this year until the end of September resulted in 32 producers and one dry hole.

WAPELLA: One of the province's most promising oil fields, Wapella is located 50 miles northwest of the Virden, Manitoba, field. There are 22 producers in the field, and production to the end of October totaled 43,140 bbls. Wells completed during the first nine months of this year included 18 producers and five abandoned wells.

To date, several other encouraging oil discoveries have been made in Saskatchewan. However, until further development is carried out, it cannot be determined whether these finds will prove commercial. Loomis, Frontier, Leon Lake, Cook Lake and Dewar are locations where these individual finds have been made.

Natural gas producing fields in Saskatchewan are Lloydminster, Lone Rock, Unity, Coleville, Brock, McLaren Sparky Pool, besides a number of other wells in undefined fields.

Company Surveys

Blue Crown

Blue Crown Petroleums has a major share in six oil wells in the Campbell field and in two at Leduc, and a one third interest in two heavy-grade oil producers at Lloydminster. Also holds approximately 284,000 acres in British Columbia and 137,000 acres in Alberta. A wholly-owned subsidiary owns and operates a drilling rig.

Oil reserves of the company in the Campbell field are estimated at 700,000 bbls. Authorized capital is 5 million shares of 75c par value; 1,917,716 shares are issued and outstanding. In June of this year 333,000 shares were sold to New York interests to net the company $254,745.

Rainbow Oil

Rainbow Oil Ltd. has interests in about 35 oil wells in Alberta, Illinois and Kentucky, and in approximately 6,000 acres of leases scattered in small parcels in those areas. The company also is a member of the Scurry-Banff-Rainbow Syndicate which holds about 62,000 acres of leases and 1.7 million acres of reservations in Alberta.

Rainbow's oil producers are located in the Redwater, Leduc, Camrose, Armena, Bonnie Glen and Caprona fields in Alberta, and in Illinois and Kentucky. A 51% stake has been obtained in the Junction field in Illinois which is reported to be responding favorably to water flood treatment. The Martha pool in Kentucky, where the company owns 1,600 acres, is also being subjected to water flood methods of recovery.

In the Wapiti-Smoky River area of Northwestern Alberta, several major oil companies will explore portions of 1,214,000 acres in which Rainbow has 26-2/3% net share.

The company's oil reserves are estimated at 1,251,000 bbls. Authorized capital is one million shares of $5 par value; 534,320 shares are outstanding.

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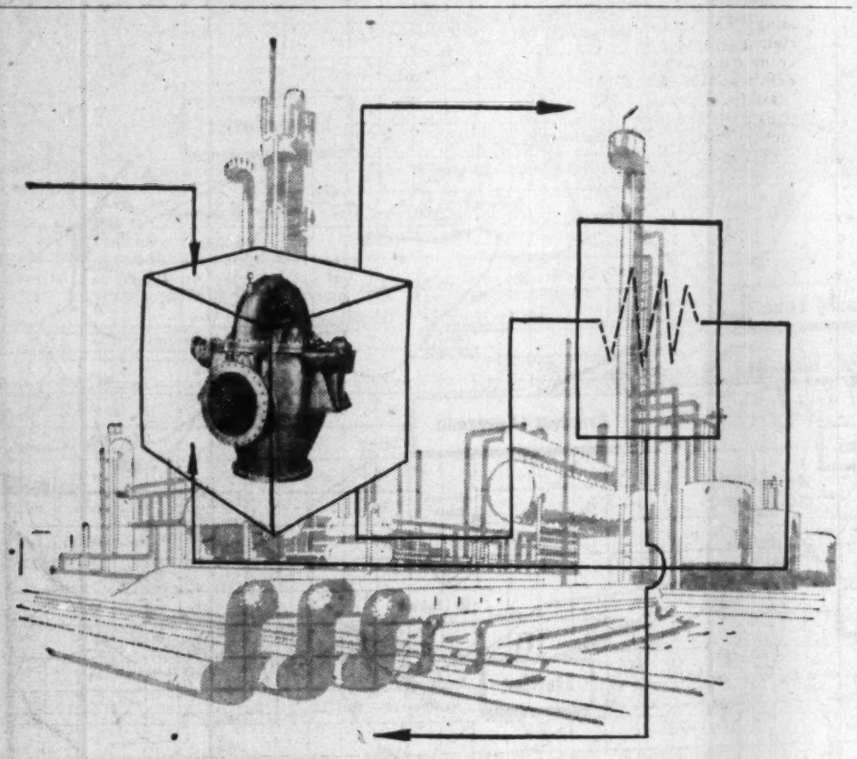

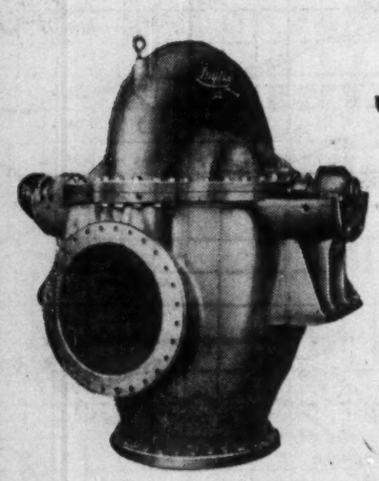

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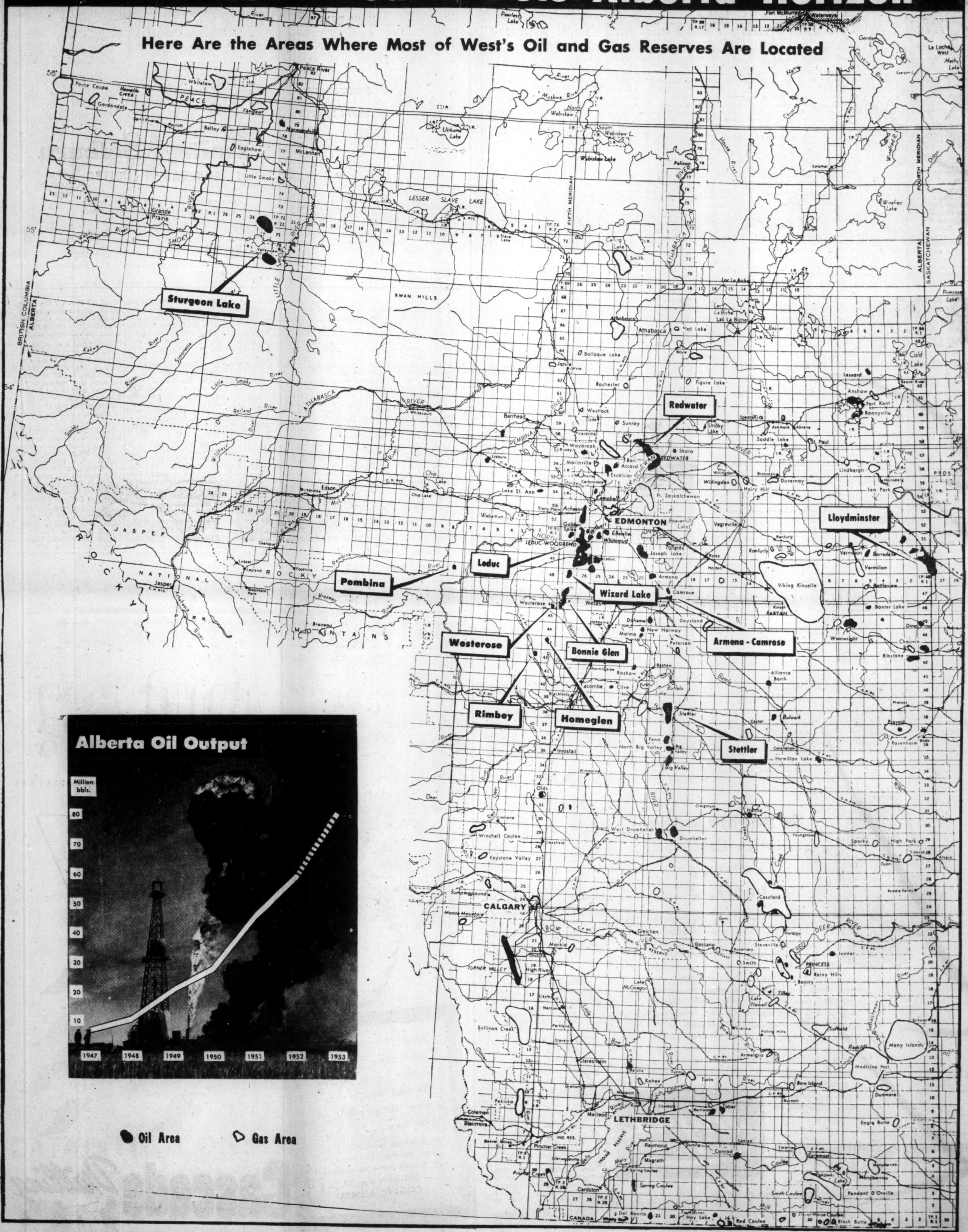
Cascade Drilling

Where New Wealth Dots Alberta Horizon

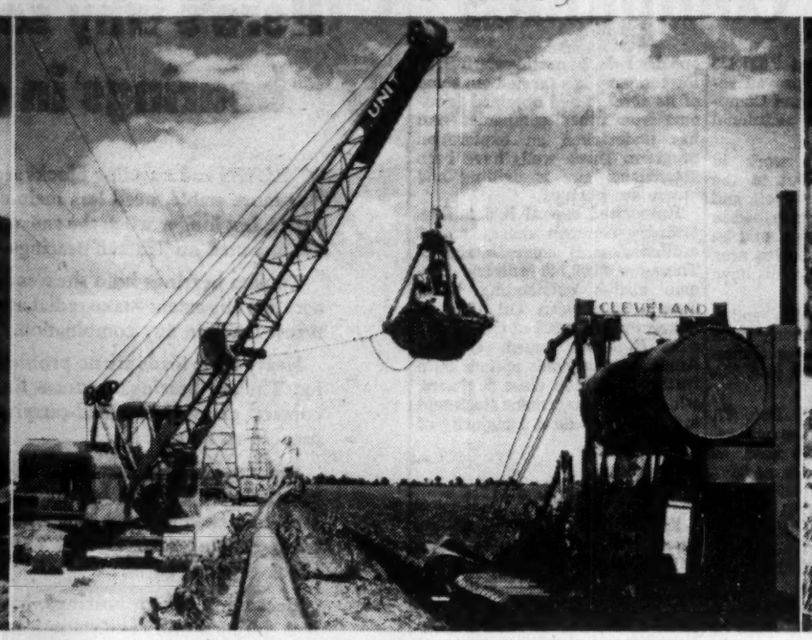
Here Are the Areas Where Most of West's Oil and Gas Reserves Are Located



Oil Area Gas Area

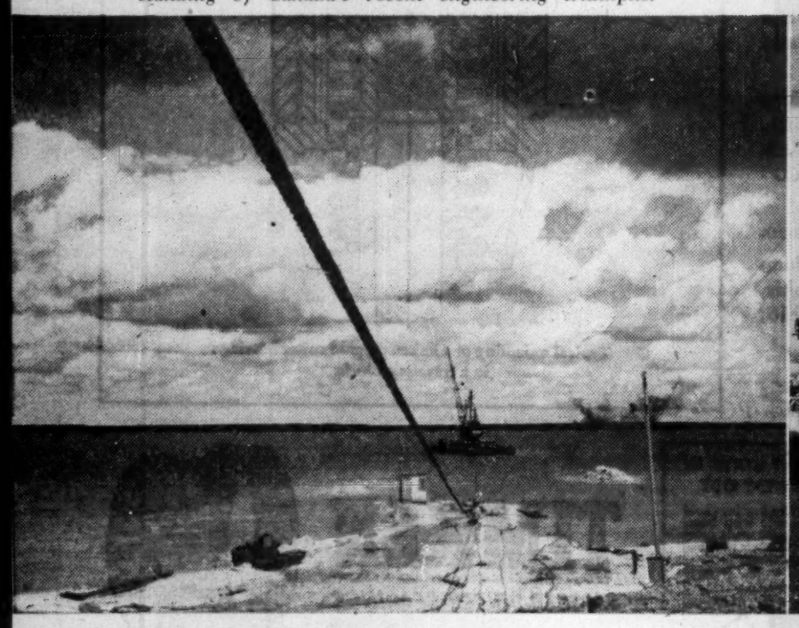
The Pipelines March Across Mountains, Prairies, And Under Water

Digging ditch and putting pipeline in place is a relatively simple job in the "flatlands." But mountainous terrain presents something of a challenge. The new Trans-Mountain pipeline rates as one of the more outstanding of Canada's recent engineering triumphs.

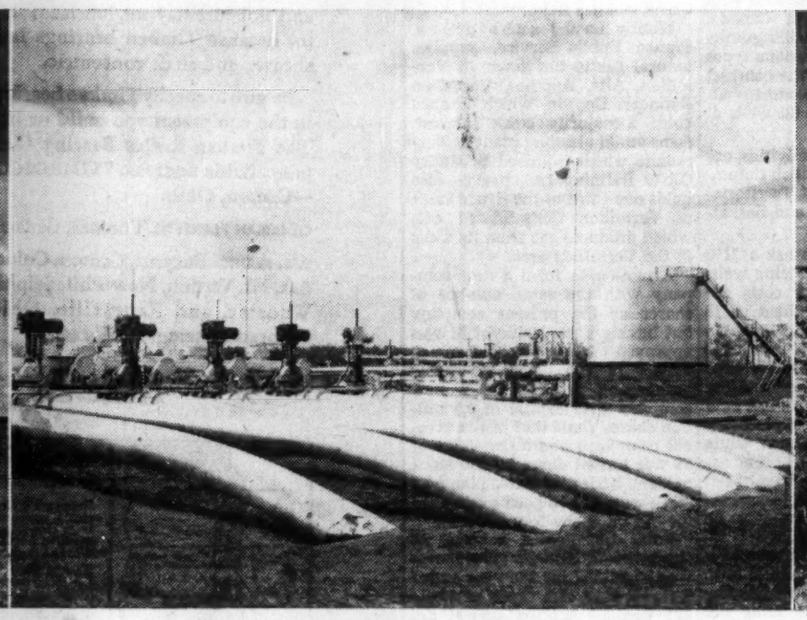


Many varied types of equipment are used for getting pipeline underground and buried as quickly as possible. Different conditions require different equipment. After the line is buried, farming is carried on as before.

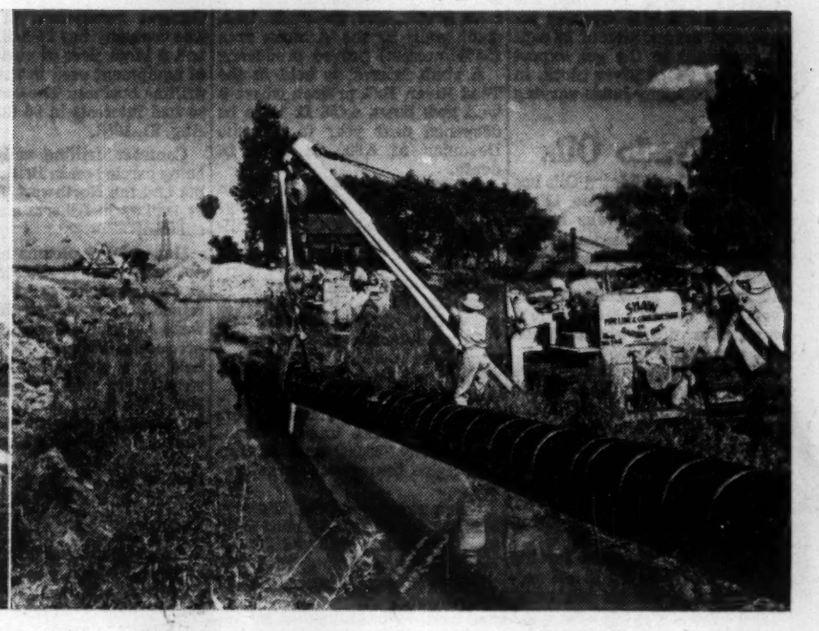
Welding is one of the big secrets of the successful pipeline. It was the advent of the seamless welded steel pipe which has permitted transport of natural gas over great distances at relatively low cost. Pipelines are "water tested" before they go into service.



Here the extension of the Interprovincial Pipeline from Superior, Wisconsin, to Sarnia, Ontario, overcomes one of the greatest natural barriers en route—crossing of Mackinac Straits. With this line now finished, Alberta oil comes to Sarnia via pipeline on a year-round basis.



This is at Edmonton, Canada's oil centre, where Interprovincial Pipeline marshals crude supplies for shipment eastward. Various types of oil can be shipped in the same pipeline at different times with only a slight loss due to cross mixing of crudes.



The petroleum industry hopes a start may be made on gas pipelines both to the west coast and easterly in the not distant future. So far, however, the biggest gas pipeline project seen in Eastern Canada has been this 16-in. 61-mile line which runs from Windsor to a storage field in Lambton county.

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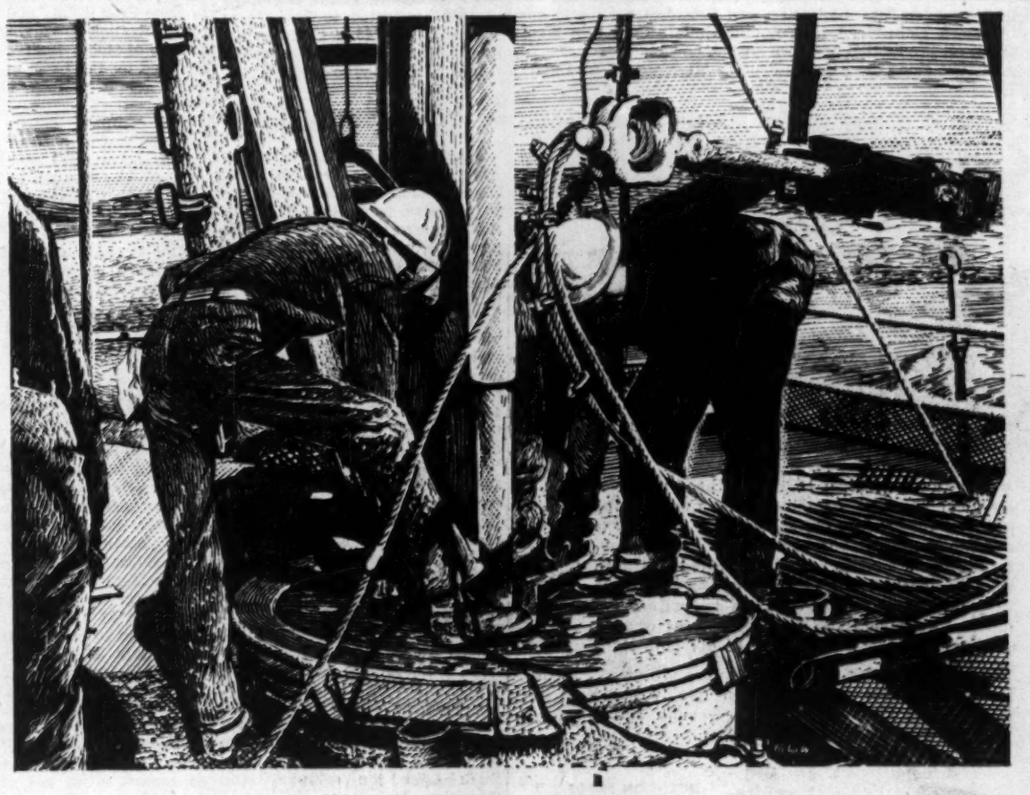

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Progress Reports Of Oil Companies

Cdn. Atlantic Oil

Interests are held in 79 producing oil wells by Canadian Atlantic Oil Co., these wells being in Redwater, Excelsior, Leduc, Armena and Erskine. Revenue from oil production was $899,482 in the year ended Feb. 28, 1953, and will likely be higher in the current year due to somewhat higher production rates. After writing off $488,616 for exploration and depletion there was a profit of $17,856 in the latest year.

But Canadian Atlantic is looking for revenue from something other than oil. The company has been participating with Pacific Petroleums and its associates in big gas drilling activities in the Fort St. John area, Peace River, British Columbia. To May 25, 1953, extensive drilling had developed wet gas reserves in excess of 1½ trillion cu. ft. in this area.

In the 1953 annual report, it was stated: "Working capital of $1,741,130 leaves the company in favorable position to continue its active exploration and development program on which almost $700,000 was spent during the year under review. The expenditure resulted in the completion of three additional producing oil wells on the Armena lease, in which the company has a 50% working interest, and the addition of 16 capped gas wells in the gas export area of the Peace River block, in which the company holds varying interests."

Rio-Prado Oils

Rio-Prado Consolidated Oils has varying interests in some 41 oil wells and four gas wells in Alberta areas. To the middle of September 29 wells had been completed in the Chauvin heavy crude field including 20 wholly-owned, seven 50% owned and two 75% owned. Four of the wholly-owned wells are dual producers.

A 50% interest is held in five wells in the Coutts-Red Coulee area of southern Alberta while there is a 40.5% interest in four Armena wells, an 8% interest in two Caprona wells. A well on a company reservation at Burdett found medium crude with 13 ft. of pay in the Ellis sand during 1953.

Gas may be important for the company which has an 18¾% carried interest in six gas wells and 132,000 acres of reservations in the Gordondale area of northwest Alberta.

Another potentially important interest is a 55% stake in 49,815 acres of reservations in the oil sands area of Northern Alberta.

West. Homestead

Substantial progress has been made by Western Homestead in building up an oil production and oil reserve picture since the company in association with North Canadian and Petcal discovered oil at Armena in October, 1951.

Oil reserves were estimated at 1,924,700 bbls. at Feb. 23, 1953, including 1,424,100 bbls. at Armena, 87,100 bbls. at Hamilton Lake, 133,100 bbls. at Baxter Lake and 298,600 bbls. in Saskatchewan. Developed gas reserves—at Manawan Lake and Baxter Lake—were estimated at 5,760 million cu. ft. Since then the company has discovered oil in the Glauconitic sand at East Glen Park next to B.A. Oil.

By June 25, 1953, Western Homestead had completed 27 producing oil wells and three gas wells. Company's interest represents 50% in three wells, 45% in 21 wells and 25% in three wells less royalty.

A participation is being taken in exploration for oil in the Northwest Territories.

No financial statement has been received covering the latest year's operations. There was a $1,104 loss after write-offs in the year ended Aug. 31, 1952.

Del Rio Prod.

Of a score of wells in which Del Rio Producers participated from Aug. 1, 1952, to Oct. 15, 1953, eight wells in the Armena area (25% interest) proved producers.

A sixth interest is held in the Toad River, B.C. project, where a well now down 4,456 ft. is to be deepened next year to test the Devonian at 5,000 to 6,000 ft. depth.

A 25% interest is held in two small wells which Socony-Vacuum Exploration Co. has drilled in the Ratcliffe area of Saskatchewan and productive interests are continued in the Leduc area. Interests are held in five shut-in gas wells in various Alberta areas.

Gross interests in leases, reservations, permits and licenses amount to 2,383,760 acres with net amounting to 498,930 acres. A 25% interest is held in Minerals Ltd., which has a 20% interest in approximately 750,000 acres of mineral rights throughout Saskatchewan.

Gross revenue of Del Rio was $114,632 for the year ended July 31, 1953, with a profit of $42,385 before depreciation and amortization which were charged off in this amount.

Trans Empire

Interests were held by Trans Empire Oil in 79 oil wells in Western Canada at the end of October. Wells were spread through a large number of fields—Leduc, Redwater, Stettler, Campbell, St. Albert and Cessford in Alberta and Coleville-Buffalo Coulee in Western Saskatchewan.

Proven oil reserves at Oct. 7, 1953 were estimated at 8,321,453 bbls. together with unproven reserves in the Cessford and Campbell fields of about an additional three million bbls.

Major development work in 1952-53 was carried out in the Cessford area where 18 oil and two gas wells have been drilled in association with Amurex and in the Colcville-Buffalo Coulee area where an additional 16 wells have been completed.

For the eight months ended Aug. 31, 1953, net earning from all sources before depreciation and depletion amounted to $356,016.

Balance sheet as at Dec. 31, 1952, showed $535,500 current assets including $301,905 cash as against current liabilities of $35,455. There were $996,000 of 5% convertible notes and $1 million of 5½% convertible notes outstanding at that time while earned surplus stood at $226,720. There was a $200,000 contingent liability re guarantee of bank loans of a subsidiary company, Moose Jaw Refineries.

General Pete.

Contract drilling and oil production are both big business with General Petroleums of Canada. The company has 14 drilling units and a large fleet of various types of equipment used in the contract drilling business. The company also had interests in 98 oil wells at Aug. 31, 1953.

Contract drilling activities are being carried on in British Columbia and the Northwest Territories as well as in Alberta and Saskatchewan.

General Petroleums has a 21% net interest in 74 producing wells at Joseph Lake (after costs are repaid). Interests are held in 18 wells at Drumheller, all Devonian producers, while a 20% interest is held in a successful Nevis area stepout gas well, Superior-Altex Nevis No. 7-13. Interests are held in numerous current exploratory efforts in Western Canada while with New Superior and other associates, 81,120 acres have been farmed out to Albercan in Saskatchewan with three wells to be drilled before Nov. 15, 1954.

Oil production in the year ended Sept. 30, 1952, was 301,045 bbls. compared with 241,172 bbls. the year previous. Joseph Lake accounted for nearly 275,000 bbls.

A net profit of $358,716 was realized in the year ended Sept. 30, 1952, equal to 33 cents a share on class "A" and ordinary stock. Profit on completed contracts and gross production had amounted to $2,060,166 before other charges. Working capital at the beginning of 1953 amounted to $884,824 as against $1,309,746 a year earlier. Funded debt showed a reduction from $2.5 millions to $988,500.

Great Plains

From inception of business on April 20, 1950, to Sept. 30, 1953, Great Plains Development Co. participated in drilling 60 wells. Results were 16 oil wells and nine gas wells, while 37 ventures were abandoned. The company's interest in the oil producers is equal to 8.92 net wells.

The company obtained its first oil production in January, 1952, and to Sept. 30 of this year had received a total of 186,781 net bbls. of oil. Average net oil production for the months of September and October, 1953, was about 415 bbls. daily.

Interests are held in about 442,500 acres in Alberta and Manitoba, for a net interest of 158,333 acres. In the Joffre area of Alberta the company and its associates have discovered ligh. oil in the Viking sand. Three oil wells have been completed by the team and development is being continued. Great Plains is also exploring wholly-owned lands in the area.

On a 19,000-acre gas license in the West Beaverhill Lake district, the company and Triad Oil Co. have drilled three gas wells, but a joint venture in the Lathom area was a failure. At Minnehik-Buck Lake the company and Canadian Delhi are drilling a step-out well from their Mississippian wet gas discovery.

Unaudited figures as at Sept. 30, 1953, showed current assets of $4,842,693 and current liabilities of $144,339. Fixed assets totaled $2,070,746 cost less reserves; deficit forward (mainly preproduction and exploration expenditures) was $3,125,079. Funded debt outstanding amounted to $9,757,500.

Fargo Oils

Earlier this year Fargo Oils acquired all the assets in Saskatchewan of Franco Oils, all assets in B.C., Alberta, Saskatchewan and Montana of Northern Oil Co., a further 2,062,000 acres in B.C. and another 480 acres for a total consideration of 1,683,000 ordinary common shares and 300,000 class B common shares. The Franco assets taken over included heavy oil reserves estimated at 9.9 million bbls. and an oil cleaning and desalting plant, all at Lone Rock.

Fargo also has a stake in 10 producing oil wells in Alberta plus undeveloped acreage in the Cessford, Aden, Sullivan Lake and Big Valley-Caprona areas of that province, as well as extensive holdings in the Peace River district of B.C.

A drilling program currently under way on the company's Lloydminster lands has resulted so far in 11 oil producers and just one dry hole. In northeastern B.C. the company has farmed out some of its acreage and obtained farmouts from other companies and has undertaken an exploration program. Three wells have been abandoned, one is drilling and others are planned.

Authorized capital is 6 million ordinary common shares and 3 million class B common shares. There are 4,000,145 ordinary common shares outstanding while General American Oil Co., of Texas, owns 400,000 of the 700,000 class B shares issued. General American also holds options on a further 2 million class B shares, which are management stock and are entitled to elect a majority of the directors.

Franco Oils

Franco Oils Ltd. sold all its assets in Saskatchewan to Fargo Oils this year for 860,000 Fargo shares. Included in the sale were heavy grade oil reserves approximating 9.9 million bbls and an oil cleaning and desalting plant at Lone Rock. Assets remaining to the company include interests in subsidiary companies, plus 303 acres and a half interest in 321 acres near the large Pincher Creek wet gas field.

Wholly owned subsidiary, Franco Public Service, supplies natural gas to the town of Vermilion, Alta. Another, Vermilion Refinery Co., in which Franco holds a majority stock interest, owns an oil cleaning plant at Borradaile which is leased to Husky Oil & Refining Ltd. Franco also holds one-third of the issued stock of Vermilion Consolidated Oils which produces gas from its wells in the Vermilion area.

A motion to form a new company with the same number of shares as the present company but having a par value of $1 was approved by shareholders of Franco in Feb., 1953. A by-law authorizing creation of a new company with capital of 2.5 million shares (half that of the present company) and a par value of $1 was turned down by the stock holders. Under the latter plan new stock would have been exchanged for old on a one-for-ten basis.

Total consolidated revenue of the company and its subsidiaries was $1,025,858 for the year ended Dec. 31, 1952. Net profit of $243,481 was all applied against depletion, development and capital cost allowances. Net profit for 1951 was $54,580.

New Bristol

Shareholders of Bristol Oils recently approved a change of name to New Bristol Oils and a capital reorganization involving an exchange of stock. Shares were exchanged on the basis of one new share for each four old shares held.

The company enjoys revenue from its share in 15 oil wells at Leduc and four at Lloydminster in Alberta, and 36 wells in Texas. It also holds undeveloped acreage at Bonnyville, Hanna and Pouce Coupe.

New Bristol's share of primary oil reserves are estimated at 750,bbls. in Texas and in excess of 150,000 bbls. at Leduc. The company recently received $230,000 from sale of 200,000 new treasury shares.

High Crest

High Crest Oils now holds interests varying from 2½% to 50% in 33 oil wells and one gas well and in 44,440 acres of leases and reservations in the Leduc, Armena, Malmo-New Norway, Chancellor, Steveville, Atlee, Big Valley and Campbell areas of Alberta and in Montana and Oklahoma.

Oil reserves of the company are estimated at 1,030,410 bbls. Net production of oil during the year ended Sept. 30, 1953, amounted to 69,690 bbls. with a value of $199,205, compared with production of 35,485 bbls. having a value of $73,628 the year previous.

Net profit for the 1953 fiscal year was $55,604 after write-offs, as against a net loss of $151,470 for 1952. Current assets of $63,920 at Sept. 30 of this year included cash of $45,138. Current liabilities were $101,746, comprised mainly of $100,000 bank loan repayable out of production within one year. A further amount of $125,882 also repayable from production was shown as a deferred item. There were 3,689,987 shares outstanding of an authorized 5 million.

Jupiter Oils

One of the discoverers of the Joseph Lake Viking sand oil field, Jupiter Oils Ltd. has a 14% stake in 74 oil producers there, plus interests in 17 wells in other fields in Alberta, Manitoba and Texas. Property holdings totalling over 2.3 million acres are located chiefly in Alberta and west-central Saskatchewan. Company's net share of reserves in Alberta was estimated at between 4.2 and 4.6 million bbls.

Interest has been centred lately on a wildcat venture in the Cook lake area of Saskatchewan, which encountered light oil in the Viking sand at approximately 2,200 ft. depth. Jupiter has a 15% share in the well and the farmout of 81,000 acres on which it is located. Two wells drilled earlier in the general area were failures.

Capitalization comprises $925,000 convertible 5% debentures due 1967 and 2,407,250 shares outstanding out of 3 million shares authorized.

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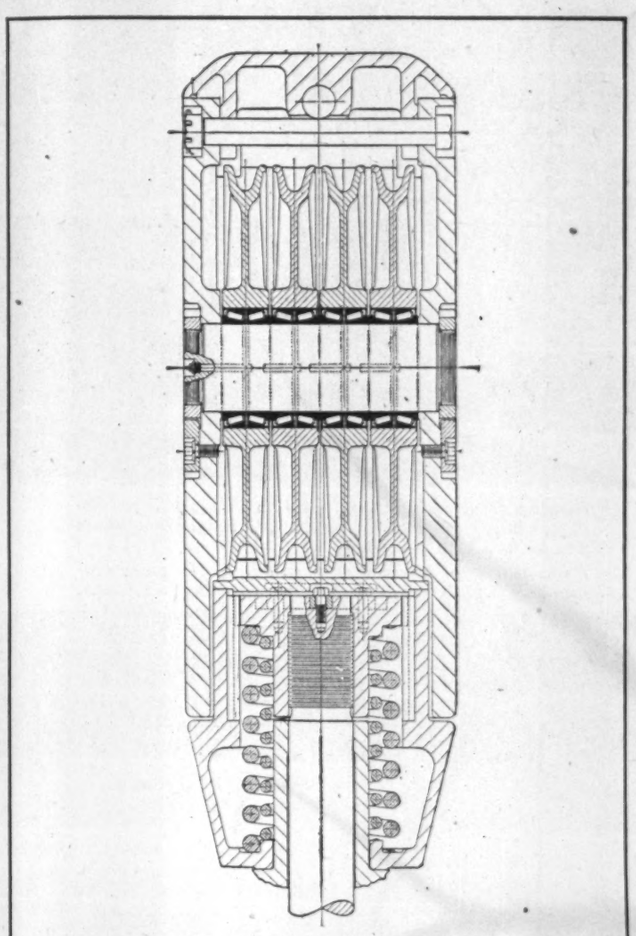

Typical mounting of Timken tapered roller bearings in a traveling block.

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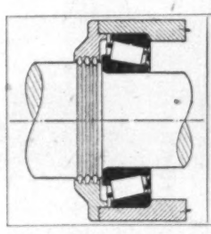

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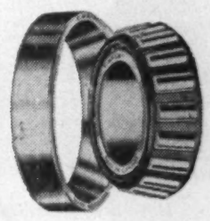

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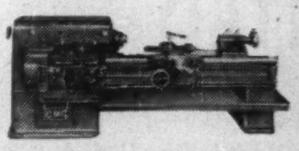
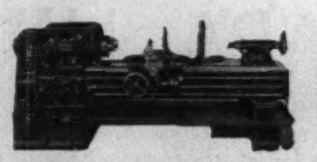
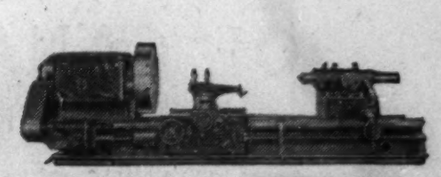


18" x 54" Precision Toolroom Lathe



16" x 54" Series "50" Engine Lathe



54" x 20' Triple Geared Heavy Duty Engine Lathe

New Strength To Canada's Natural Gas Future

Three-Four Trillion Cu. Ft. Annual Boost In Reserves

If evidence were needed of widespread occurrences of gas in Western Canada, this year's drilling has once again provided ample proof.

Aside entirely from gas associated with numerous oil discoveries, many significant discoveries of gas have been made as the accompanying table shows.

Gas discoveries in Alberta alone are currently at a rate of three trillion to four trillion cu. ft. of gas annually it has been estimated. And that doesn't allow for very impressive gas discoveries which continue to be made in Peace River section of B. C., and in Saskatchewan.

A tremendous amount of gas may be associated with the Rimbey-Homeglen oil discoveries southwest of Edmonton. Petroleum engineers point out that a length of at least 10 miles is likely to be productive. In one well there was a thickness of 396 ft. of wet gas pay zone.

An expert witness at recent gas hearings of the Petroleum & Natural Gas Conservation Board estimated recoverable gas reserves of the Rimbey field to range from one trillion to 3 trillion cu. ft.

And Rimbey-Homeglen is but one of numerous new gas areas.

The economic value of gas added in 1953 is not hard to visualize. A reserve of just 3.5 trillion cu. ft. of gas would be enough to look after the entire Eastern Canada market for 20 years. At our present gas discovery rate, therefore, enough gas is apparently being found to justify one new major gas pipeline each year.

Dr. George S. Hume, Director General, Scientific Services, Department of Mines & Technical Surveys in "Natural Gas in 1952" provides interesting commentary on gas location prior to this year:

In 1952 there were a number of new and important gas discoveries. In the Peace River area gas in large quantities was found in the vicinity of Fort St. John, and at Buick Creek, 40 miles to the northwest. Also in the Peace River area of Alberta, two fields, Gordonvale and Rycroft, added reserves to those previously proven.

What They Found In 1953

Field Name: Location:	Discoverers:	Depth of gas zone ft.	Pay zone	Daily potent mmcf
Alberta:				
Armelgra ..... 55 Miles NE Lethbridge ...	Northern Dev. & Union Oil	2,298	Bow Island	2.5
Buck Creek ..... 56 Miles SW Edmonton ..	Imperial & Cdn. Superior	2,871	.....	5.0
Beaverhill Lake ..... 16 Miles NE Joseph Lake ..	Texaco & Calvan Cons.	2,644	Viking	14.8
Buffalo Park ..... 15 Miles SW Wainwright ..	Midwestern-Bailey Sel.	2,008	Viking	...
Calmette ..... 32 Miles N Edmonton	Canadian Fina-Triad	3,261	Viking	3.5
		3,614	L. Cret.	9.5
Donalda ..... 25 Miles N Nevis	Canadian Gulf Oil Co.	3,174	Viking	3.5
		3,303	L. Cret.	5.0
Drumheller ..... 7 Miles SW Drumheller ...	Stockton S.-Socony	4,394	L. Cret.	44.3
Estonia ..... SW Saskatchewan	Phillips Pete.-Husky Oil	2,268	Viking	4.0
Fork Lake ..... 16 Miles SE Lac La Biche .	Scurry-Banff-Rainbow-Mylamaque Mines	1,570	L. Cret.	1.2
Fort Saskatchewan ..... 12 Miles NE Edmonton	Northwestern Utilities	2,450	Viking	1.2
Halkirk ..... 25 Miles NE Stettler	Anglo Amer. Exploration	3,778	L. Cret.	5.0
Heathdale ..... 16 Miles NE Cessford	Dragon-Marwayne	3,300	L. Cret.	12.0
Hercules ..... 6 Miles SE Edmonton	Hudson's Bay O. & G.	3,087	L. Cret.	4.2
Kessler ..... 30 Miles NE Hamilton L. ..	Mill City-Sharples-Kroy-Sw'tgrass	2,474	Viking	67.0
Killam ..... 60 Miles SE Malmo	Marwayne-Dragon	3,004	L. Cret.	2.2
Manyberries ..... 15 Miles SE Pakowki L. ..	West Cdn. Petroleums	3,549	Jurassic	3.5
Morinville ..... Next to Campbell Field ..	Roberts & Associates	3,611	L. Cret.	7.5
Ponoka ..... 55 Miles S Edmonton	Texaco Exploration	5,105	L. Cret.	6.2
Rossington ..... 30 Miles NW Edmonton ...	Sinclair Canada Co.	2,479	Viking	6.0
S. Westerose ..... 45 Miles SW Wizard L. ...	California-Standard	7,548	D3 Dev.	6.6
Sullivan Lake ..... 40 Miles NE Drumheller ...	Sinclair Canada Oil Co.	3,200	Viking	2.8
			B. Quartz	6.0
Sylvan Lake ..... 80 Miles N Calgary	California-Standard	7,012	Madison	4.2
West Nevis ..... 15 Miles W Stettler	Federated United Oils-Sun-BA-Cal. Std.-Hudson's Bay-Imperial	5,775	D2 Dev.	6.5
Wildunn ..... 10 Miles S Hanna	Imperial Oil	3,005	Viking	6.8
Wood River ..... 10 Miles S Malmo	Texaco Exploration	4,902	L. Cret.	4.6
Saskatchewan:				
Dewar ..... 7 Miles W Driver	Canada Southern Oils	2,357	Viking	5.0
British Columbia:				
Blueberry Mtn. ..... 30 Miles N Ft. St. John ...	J. B. White & Assocs.	4,640	Triassic	8.0
Buick Creek ..... 40 Miles NW Ft. St. John ..	Shell-Texaco-Socony-Cdn. Gulf	3,538	L. Cret.	8.7

In the more central parts of Alberta, gas continued to be discovered in large quantities as wells were drilled for oil. One of the largest gas discoveries, with only limited amounts of oil present, was in the Nevis area, 12 miles west of Stettler. Several wells have been completed in this field which may have a reserve of a half trillion cu. ft.

In its report of March, 1952, the Alberta Petroleum & Natural Gas Conservation Board reported expectation that "with a continued incentive for exploration for oil and gas resulting in the drilling of some 400 to 500 wildcat wells a year, Alberta can safely anticipate the development of further established reserves of natural gas at an average rate of at least one trillion cu. ft. a year for at least the next 8-10 years." The Nevis discovery alone is likely to provide at least half this amount for 1952 and this is but one of several important areas discovered during the year.

The review continues:

In the Pigeon Lake area of Alberta, the Leduc-Wizard Lake-Bonnie Glen trend has been extended southward with the finding of more oil overlain by extensive gas caps. West of this, at Minnehik, a large gas discovery has been made in the Mississippian limestone which is the productive horizon of the foothills areas. In the area south of Calgary, a large flow of gas has occurred in three Shell wells drilled near Okotoks.

"There is hardly an area in Alberta where drilling is being done that gas does not occur, but in many of these the gas is presently not considered important. Wells in many areas, however, have provided substantial flows, as for example in the Lac La Biche, Clive, Fort Saskatchewan, Big Lake and Morinville areas north and east of Edmonton, and at Chancellor and along the Stettler-Big Valley reef farther south. In all, about 155 potential gas wells were drilled in Alberta during 1952 and it has been stated that the reserves have been increased by 3.5 trillion cu. ft."

Talked across 718 miles of mountains rivers, swamps and barrens

The Trans-Mountain oil pipeline stands among the great engineering feats of our time. Built by prominent Canadian pipeline companies over some of the world's most rugged terrain, it represented a tremendous challenge met and conquered by technical ingenuity. Communications played a vital role. Inch by inch the giant pipe was "talked" across mountains, rivers, swamps and barrens via F.M. 2-way radio. Radio saved hours and days throughout the job—eliminating waste time and effort—speeding the completion of the work with greater ease and economy.

Communications Division
ROGERS MAJESTIC ELECTRONICS LIMITED
TORONTO · MONTREAL · WINNIPEG · VANCOUVER

congratulations to Canadian Bechtel Limited Engineers and Managers; Comstock Midwestern Ltd.; Mannix Ltd.; Anderson International Ltd.; and all sub-contractors

Progress Reports On The Oil Firms

Dom. Minerals

Dominion Minerals Development has participated in drilling 18 wells, of which 13 were successful. The productive wells include three at Camrose, two at Leduc, three in Redwater field, two at Lloydminster, two at Erskine and one at Borradaile. Company's share ranges from 10% to 22½%. Recoverable reserves, both proven and probable, attributable to the company are estimated at 230,000 bbls.

In the Marshall field of Saskatchewan an eight-well program is planned on proven property. Dominion Minerals will have a one-third share. The company also holds a stake in approximately 85,000 acres of leases and reservations scattered across Alberta.

A wholly-owned subsidiary, Canadian Northland Uranium Explorations Ltd., holds 43 prospective uranium claims in the Beaverlodge district of northern Saskatchewan. Geological surveys and geiger work are being carried out on three groups of these claims. A U.S. subsidiary of Dominion Minerals is expected to participate in developing lands in Montana.

Commonwealth

Directly and through its subsidiaries Commonwealth Petroleum Ltd. controls seven oil wells at Turner Valley and has a small share in seven in the Redwater field. Also holds acreage in various districts of Alberta. A partly-owned subsidiary is one of the largest well-drilling operators in Western Canada, owning 22 drilling rigs and two servicing outfits.

The company's income is derived from production, dividends, royalties and management fees paid by subsidiaries and from other royalty interests. Net profit for the year ended Sept. 30, 1952, amounted to $958,936, equal to 48 cents a share, compared with $598,783 for 1951. A dividend of 35 cents per share was paid by Commonwealth on Oct. 15 of this year, the same amount as was disbursed in 1952.

Central Explorers

With the purchase this summer of a 50% interest in 550,000 acres in the Fort St. John and Toad River areas of Northeastern B. C., Central Explorers Ltd. has a stake in more than 2 million acres in the general Peace River area of that province. Other leases and reservations are held in various areas of Alberta, Saskatchewan and Texas.

The company's revenue is derived from its varying interests in over 30 producing wells in the Redwater, Leduc, New Norway, Caprona-Fenn, Camrose and Armena fields of Alberta and from 10 wells in Texas.

Most recent success was the bringing in of a discovery well on a 600-acre lease in the Henrietta field, Clay County, Texas. The company's wholly-owned U.S. subsidiary has a 25% share in this venture which found oil of 44 degrees gravity in the Mississippian limestone at a depth of about 5,900 ft. Another well now drilling in Montagne County is scheduled to go down to 5,800 ft.

Authorized capital is 2 million shares of $1 par value; 1,250,000 shares are issued and outstanding.

Cons. East Crest

An offer made by Consolidated East Crest Oil Co. to acquire the assets and undertakings of Flank Petroleums and Northern Extension Ltd. was accepted in August of this year. Consideration for the purchase was the issuance of 1,007,573 East Crest shares in exchange for those of the other two companies. Basis of exchange was one East Crest share for each six Northern Extension shares or three shares for each 10 shares of Flank.

The acquisition added interest in eight Leduc wells and in more than 55,000 acres in Alberta to the company's holdings. In addition the company has one oil and three small naphtha wells at Turner Valley and a share in four oil producers in the Joseph Lake field as well as in two gas wells at Vermilion.

The company underwent a reorganization late in 1952, at which time stock was exchanged on a basis of one new for 10 old shares, and the name was changed from East Crest Oil Co.

Marigold Oils

Marigold Oils Ltd. has obtained 6% of the issued stock and arranged financing for two Panamanian companies recently formed by U.S. interests. They will explore a large block of acreage acquired under seven licenses in Israel. It is understood that $1 million is being provided for the development program.

The company owns four and has a half interest in one medium gravity oil and/or gas wells in the Barrhead area northwest of Edmonton. All the wells are capped, and 3,557 acres in the northern part of the company's spread have been surrendered. The remainder, about 8,000 acres, has been retained.

Marigold also has a share in six producing oil wells at Armena, income from which averaged in excess of $2,000 monthly in the first four months of this year. Acreage interests are held at Cessford, Chauvin, Edmonton and McGregor Lake areas in Alberta, in South Dakota and Montana, and 442,000 acres are held in Newfoundland.

Albermont Pete.

Albermont Petroleums and Canadian Oil & Gas Reserves are currently carrying out a 4-well development program in the West Drumheller region of Alberta. Two wells have so far been successfully completed with approximately 32 ft. of pay zone in the Devonian D2.

At Leduc the company and West Canadian Petroleums have brought in four wells of eight planned for 320 acres in the southern sector of the field, while in Montana the company has completed its third success in the North Darling field. Oil of 42 degrees gravity has been found here in a 25-30 ft. pay zone at approximately 2,550 ft. depth.

Albermont also has varying interests in about 35 wells in the Armena, Duhamel, Chauvin, Leduc, Malmo, Campbell and Chancellor fields of Alberta, and in Montana and Oklahoma. Acreage holdings include a 30% stake in 1.5 million acres in Northeastern B. C.

Charter Oil

Having achieved what it believes to be a strong acreage position, Charter Oil Co. arranged major financing early this year through sale of 900,000 treasury shares at $1.50 a share, and has undertaken a policy of evaluating its holdings.

These comprise 2,987,007 gross acres, or a net interest to the company of 884,667 acres, in Northeastern B. C., Alberta, Saskatchewan and Montana. The company's chief exploration activity in B. C. is its participation in the Toad River project, which involves approximately 1.5 million acres. A well being drilled here has been suspended for the winter. Fargo Oils also is exploring company lands south of Fort St. John and will drill a deep test well if warranted, at no cost to Charter.

In Alberta the company and others are exploring 350,000 acres in the Athabasca tar sands. To date reserves approximating 2 billion bbls. have been indicated, and studies are being made regarding extraction and refining of the oil. An 8-well program carried out by Charter and its associates in Saskatchewan was unproductive. In Montana a 720-acre tract is held only 3½ miles from a deep oil discovery while in Oklahoma one well drilled was a failure but the company anticipates having 4 or 5 others drilled at no cost to it.

Net production of oil from the company's interests in 28 Redwater wells mounted to 47,588 bbls. in the year ended July 31, 1953. Net return to the company was $95,858. After all expenses including $113,520 written off exploration and unproductive development, net loss for the year was $180,058. Working capital at July 31, 1953, was $1,198,842, practically all in cash and govt. bonds.

Cdn. Williston

Canadian Williston Minerals holds an undivided one-half interest in freehold mineral rights on 1.6 million acres scattered across Southern Saskatchewan and Southern Manitoba. The lands are in large part held under lease by large oil companies, and Canadian Williston therefore owns half the landowner's gross royalty. Royalty income is received from producing acreage in the Waskada area of Manitoba.

Authorized capital is 6 million shares of no par value. A total of 3,965,000 shares are outstanding, of which 3,861,000 were issued for properties.

Cons. Cordasun

A team of Canadian companies including Consolidated Cordasun Oils recently brought in their eighth oil success in North Dakota. The group holds approximately 9,600 acres in the Tioga and Beaverlodge fields and the wells produce from up to about 190 ft. of pay zone at 8,200 ft. depth.

In Harris County, Texas, the company and four others have indicated success at their Beersheba No. 2 well. Four zones of potentially commercial production were found between 9,622 and 10,238 ft. Another well has been started two miles to the south. In Canada the company has a stake in 28 oil wells at Redwater, Leduc, Campbell, Stettler and Del Bonita, but the 12 Campbell wells have been shut in due to high gas-oil ratio.

Cordasun's reserves are estimated at around 1,275,000 bbls., chiefly in North Dakota. The company has $600,000 convertible 5% notes outstanding, due 1956, and 3,577,500 shares are issued out of an authorized 5 millions.

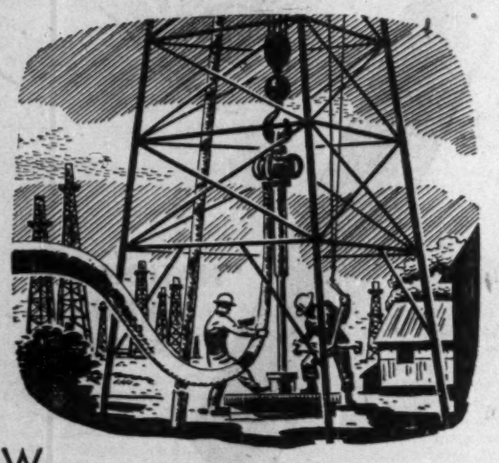
Mic Mac Consol.

Amalgamation is planned of Mic Mac Oils, Banner Petroleums and Skyline Oils into a new company to be known as Mic Mac Consolidated Ltd. Shareholders meetings are to be held shortly to consider the merger, which would be effected through an exchange of stock. Basis of exchange would be one share of the new company for each 5½ shares of Banner, or 4½ shares of Mic Mac or six Skyline shares.

The new company would have recoverable oil reserves of oil estimated at about 1.3 million bbls., and an annual income exceeding $260,000. Landholdings would comprise about 600,000 acres in Alberta, Saskatchewan, British Columbia and North and South Dakota. Included in the deal would be a 3-1/3% carried interest in 100,000 acres in the Sturgeon Lake area of Northwestern Alberta, farmed out for exploration to Hudson's Bay Oil & Gas Co. The tract is near Amerada's most southerly Devonian light oil success.

Issued capital of the new company would be about 1.3 million shares.

OIL The Bright Promise of Saskatchewan's Future



WHEAT, long established as the basis of Saskatchewan's economy, and while it still is, now has keen competition. Oil is now playing a major role in the welfare of the Province. It has injected a transfusion into the economic blood stream that will be the bulwark of industry. For example: Oil production for the first nine months of 1953 amounted to 1,952,833 barrels, and more than $50,000,000 was spent in drilling and exploration. REGINA, the seat of the Government, is today the headquarters for oil companies. The tremendous civic growth and commercial and industrial expansion is focusing the alert eyes of business on the Queen City. Ample trackage and choice sites, plus moderate taxes and cheap transportation makes Regina an excellent choice for the establishment of warehouse or factory.

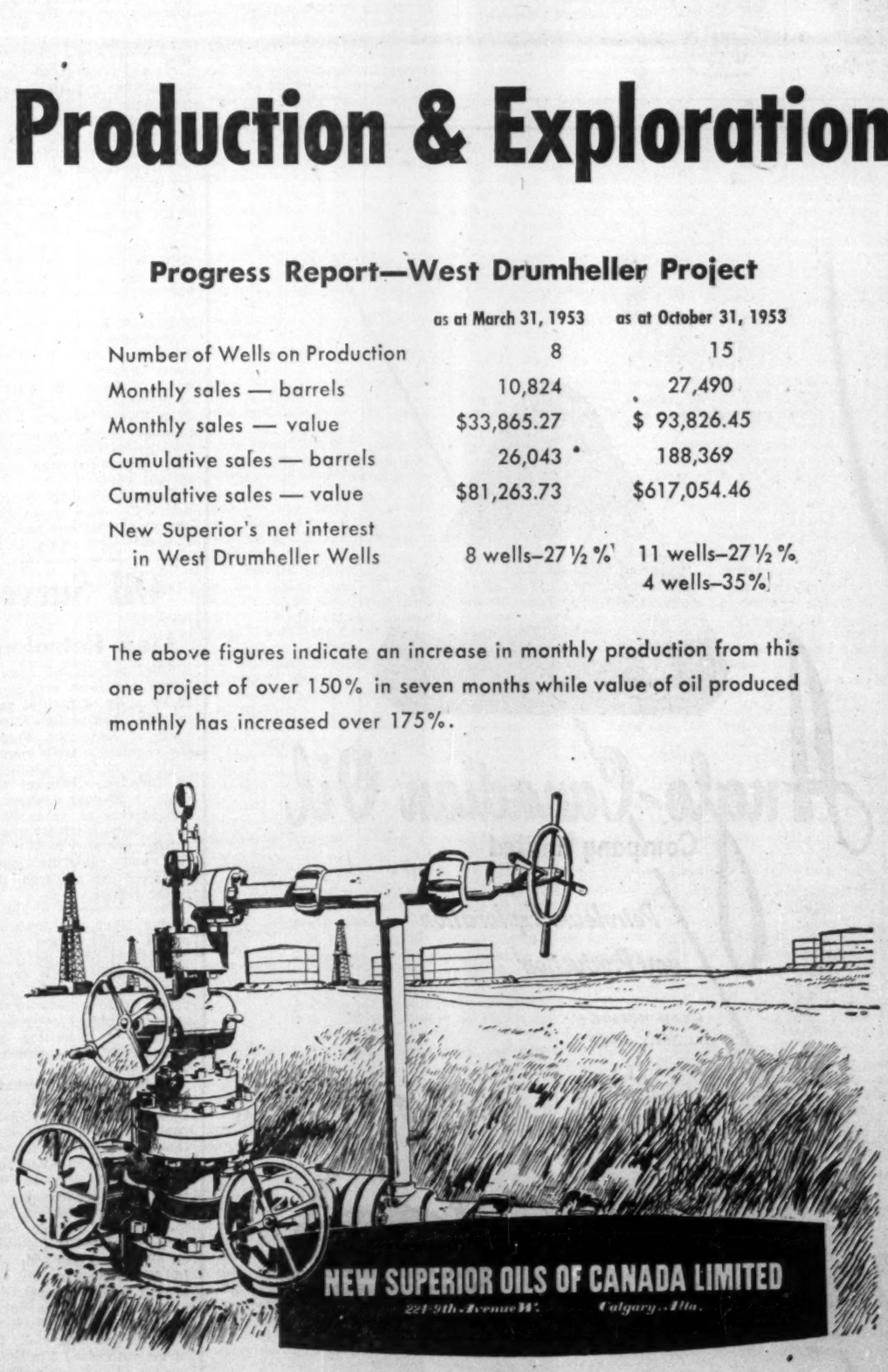
The REGINA CHAMBER of COMMERCE
Alex Aitken, Commissioner
ALBERT STREET, REGINA, SASK.

Production & Exploration

Progress Report—West Drumheller Project

	as at March 31, 1953	as at October 31, 1953
Number of Wells on Production	8	15
Monthly sales — barrels	10,824	27,490
Monthly sales — value	$33,865.27	$ 93,826.45
Cumulative sales — barrels	26,043	188,369
Cumulative sales — value	$81,263.73	$617,054.46
New Superior's net interest in West Drumheller Wells	8 wells–27½%	11 wells–27½% 4 wells–35%

The above figures indicate an increase in monthly production from this one project of over 150% in seven months while value of oil produced monthly has increased over 175%.



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CALGARY, EDMONTON, REGINA, VIRDEN

British Columbia Young in Drilling Rich in Reserves

Drillers in British Columbia's still-young northern natural gas fields are finding new gas supplies at the rate of a trillion cubic feet a year—enough to supply the whole Pacific Northwest for 15 years.

With a comparatively small amount of drilling, oil and gas companies that have embarked on the big gamble—betting millions that northern B. C. gas will be allowed to enter the U. S. northwest—are thus proving up gas supplies 15 times faster than the market would be able to use them.

The record so far: 2.2 trillion cubic feet estimated in B. C. Peace River district fields, most of it in the Fort St. John field. There have been oil showings at several wells, but none has been completed as a commercial oil producer.

The gas is destined for Westcoast Transmission Co. Ltd.'s proposed pipeline from the Peace River area of B. C. and Alberta through B. C. to Vancouver, Seattle and Portland and through a branch line to Eastern Washington State. The gamble involved is that Westcoast needs approval of the Federal Power Commission of the U. S. and is fighting a competitor that wants to supply the northwest with U. S. gas.

Hearings before the Commission have dragged on since early 1952 and a final decision isn't expected until early in 1954.

If Westcoast wins, it will mean a fabulous splurge of drilling in northern B. C. to sink development wells and find new fields.

And it will mean that British Columbia will get its second "big-inch" pipeline. Already crossing the province is Trans Mountain Oil Pipe Line Company's 24-inch, 718-mile line from Edmonton to Vancouver, now bringing Alberta oil to refineries in the Vancouver area. It started operating in October.

The Rush Slows Down

The rush to acquire oil and gas land in B. C. for exploration and development, which broke out into a scramble during 1951 and continued into 1952, tapered off this year and there were signs that the speculators were pulling out of less favorable areas.

Total acreage under license or permit was 36,170,794 acres this spring. By Oct. 31, it had dropped to 32,125,352 acres, including applications.

There hasn't been any decline in interest in favorably situated land, but some of the acreage taken up on the fringes in rough territory, in the previous rush has been dropped. In October, 52 permits expired, some in the general Peace River area, others in interior points where little work is being done.

At October 31 this year, total acreage under lease or permit came to 31,865,752, most of it in the Peace River area. The Peace River area has been blanketed with leases and permits since the rush started and the big majority of it has been retained.

Provincial figures show how B. C.'s play has developed. At the end of 1949 there were 2,377,940 acres under exploration permit. By the end of 1950, this had grown to 10,521,203 acres, and by the end of 1951 to 20,744,280 acres. In 1952, 301 more exploration permits were issued covering another 13,833,336 acres.

While most of the activity in the Peace River area has been crammed into the last three years, the history of exploration goes back more than 30 years when the British Columbia Government drilled six test holes in 1921 and 1922. The Government got into the act again in 1940 in an unsuccessful attempt to find oil or gas that ended in 1942.

Socony Vacuum had surveyors in the north in 1944, and Phillips Petroleum moved in to study the land in 1947. Peace River Natural Gas No. 1, started in December, 1947, got a small gas flow.

Gas was found in 1950 in the Sunrise field, but it wasn't until 1951 that Pacific Petroleum began to hit the jackpot at Fort St. John. Pacific drilled 17 of the 28 gas wells found in the Peace River in 1952, most of them around Fort St. John.

Many New Wells

Drillers have been pushing new wells down even faster this year. In the past month, the Pacific group has found seven gas wells in B. C. and three just over the border in Alberta.

New wells have been going down so fast recently—and coming in—that Pacific tied up with the U. S. pipeline hearings, has hardly had time to add them up.

Most of the big firms, including Imperial, have taken millions of acres in northern B. C. Four of them — Socony-Vacuum, Texaco, Shell and Canadian Gulf—set up the Northern Foothills Agreement to test their acreage.

These firms, and Sun Oil, have found gas and oil showings in an area 30-50 miles northwest of Fort St. John. Sun Oil got gas in two Blueberry wells. The NFA got it in two Buick Creek wells. These are separate areas from the multi-zone Fort St. John field.

Oil has been found, but not in commercial quantities yet. Pacific got the first oil rise in B. C. in November, 1951 at Fort St. John.

The Buick Creek wells also found oil showings in June, 1953, but were capped as potential gas producers. One of the Buick Creek wells went down to about 11,400 ft. before being plugged back. Deepest well so far has been drilled by Dome Exploration (Western) Ltd., along with Stanolind. It went down to 10,949 ft. 100 miles northwest of Fort St. John before being abandoned in November.

Most remote well in B. C. is the Toad River Joint Venture No. 1, being drilled by Central Leduc and associates near Fort Nelson at the junction of the Laird and Toad Rivers. Work has been underway for two summers and the well got to 4,456 ft. this year before operations were suspended for the winter.

Fargo is also active in B. C., with a 10-well program started. It has abandoned one well at 5,335 ft. and is working on No. 2.

While most of the drilling interest has been in gas, oil has played the major part in B. C.'s "pipeline era."

Completion of the Trans Mountain line abruptly changed the province from an importer of oil to a potential exporter.

The beginnings have been small. Trans Mountain took only 15,000 bbls. a day when it started pumping in October.

By December, the throughput was up to 28,300 bbls. a day, a fraction of the line's capacity.

The small initial throughput gave B. C. a lesson in world oil economics. When the line was building, world prices and tanker rates were at a level that would have allowed Trans Mountain to export to the California market. But when it was finished, and the deepsea loading dock was ready on Burrard Inlet, low tanker rates and increasing world supplies had changed the picture. Alberta oil was no longer "economic" for export. Middle East oil could be shipped by tanker to California cheaper than Alberta oil from Vancouver.

For 1953 at least, there were no early hopes of Vancouver becoming an oil exporting city. But Trans Mountain hoped for a change in the picture that would allow it to ship some oil.

In the meantime there was a local market at refineries.

For December, Imperial Oil was to take 16,000 bbls. a day for its new Ioco plant. Shell wanted 10,500 bbls. a day for its new Shellburn refinery. Royalite asked for 1,800 bbls a day for its 5,000-barrel refinery now building at Kamloops in the interior. Standard Oil of B. C., just starting on a new refinery, is still importing oil.

In the future are expectations of a market for 35,000 bbls. a day for a new refinery at Ferndale, Washington now under construction for General Petroleums Corporation, and a 50,000-bbl.-a-day plant for Shell at Anacortes, Wash.

Petrochemicals is becoming a new word in the vocabulary of B. C. businessmen. That's because the oil line is here, a gas line is proposed, and the two together at tidewater add up to future prospects for a new industry.

Three petrochemical companies from the United States are known to be interested in the possibilities. One of them — Hooker Electrochemical of Niagara Falls, N.Y.—has studied the field but says it hasn't decided on a plant. It supplies chemicals to B. C. pulp and paper mills from a Tacoma plant.

The prospect of natural gas has led to predictions of a new industrial era for the province. The gas line, plus the oil line, have been likened in importance to the building of the Canadian Pacific Railway.

Already, communities along the route of the line are preparing plans for distribution systems. In Vancouver, about 350 homeowners have installed gas furnaces in expectations of being able to heat with natural gas, which is expected to sell for 25% less than manufactured gas in Vancouver.

Oil Survey

Ajax Petroleums

Chief activity of Ajax Petroleums has been proving up its 43,000 acres of natural gas lands in the Morinville - Atim area north of Edmonton. Eighteen of the company's wells supply natural gas to the Edmonton plant of Canadian Chemical Co. Ltd. under a 20-year contract calling for delivery of up to 50 million cu. ft. daily. A wholly owned subsidiary operates a 53-mile pipeline and gathering system to transport the gas from the field to the refinery.

Proven reserves of natural gas in the Morinville field are estimated at 184 billion cu. ft. and 30.3 billion cu. ft. at Atim. Further development is expected to add to these reserves. The company's drilling plans for this year were completed recently but a number of promising locations will be drilled commencing in 1954.

In Southeastern Saskatchewan the company farmed out 30,000 acres to Tide Water Associated Oil Co. which will drill two Devonian tests for a half interest. The first test resulted in a dry hole. A 7½% share has been obtained in approximately 120,000 acres in Northeastern Montana. Considerable seismic work has been completed and a well found an oil-stained pay zone of 140 ft. in the Devonian but on test proved noncommercial.

The company has outstanding some $1.7 million convertible debentures due 1962, while 4 million of the authorized 5 million shares are issued and outstanding.

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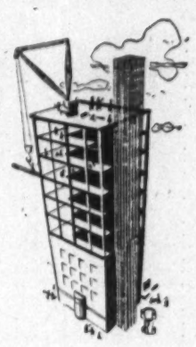

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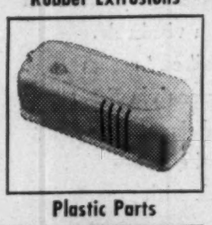
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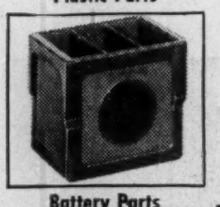
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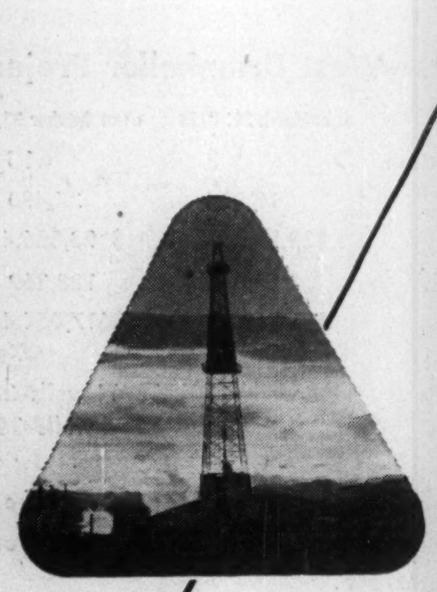

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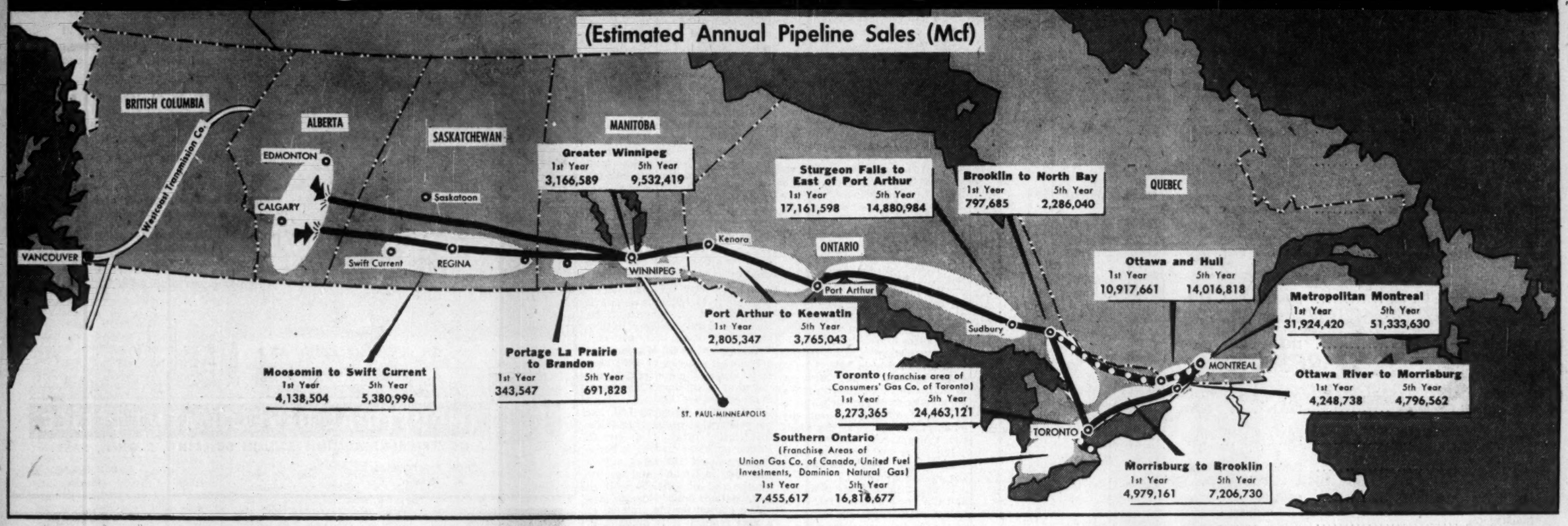
Getting The Gas To The Big Eastern Markets



The Outlook For Oil

Adjustments Now, But Wide Growth Ahead

What's the real score on all the pessimistic talk on western oils?

Is this bright star in the Canadian resources firmament really getting a little tarnished?

Or is the industry making the kind of progress which had been hoped?

A close, down-to-earth look at the actual oil development picture throughout Western Canada will inspire confidence that so-called "problems" of markets, oil prices and capital requirements, aren't preventing progress.

It's true that the western oil boom has at least temporarily peaked — from certain statistical standpoints. But the over-all picture is one of prospective continued growth. Oil industry authorities, with a good technical background, have estimated that Canadian oil production should reach 715,000 bbls. daily by 1967.

Reasons expressed for disappointment at this stage are chiefly these:

—Alberta footage of oil wells drilled at 5,269,109 ft. in the first 10 months of 1953 was 4.7% lower than 1952's record 5,531,489 ft.

—Oil well completions have been lower in Western Canada this year, showed a 4½% drop in October as compared with September.

—Discoveries of oil and gas totaled 118 up to Nov. 6 in 1953 as contrasted with 150 in the same 1952 period.

—Oil production for the second half of 1953 will be something less than the 265,000 bbls. daily estimated earlier.

On the Booster Side

But there are favorable statistics too:

—Oil production of Western Canada in 1953 will be close to 80 million bbls., about 31.1% higher than 1952's 61 million-barrel record.

—Developed oil productive potential — what we could turn out with present wells — has jumped from 275,000 bbls. to 330,000 bbls. daily this year.

—An estimated 102 million bbls. of oil should be marketed in 1954. (With new pipeline facilities available to both Pacific Coast and Great Lakes output could be much more.)

—Oil reserves now standing at a record two billion barrels as a result of development of the Bonnie Glen-Pigeon Lake-Westerose discoveries appear likely to take another upturn with three new Alberta areas showing major field promise.

—An upturn in both exploratory and development drilling is possible when arrangements for further export of Alberta gas are concluded.

Actually, Alberta experience does not give the full picture of the amount of drilling activity in Western Canada. In the first 10 months of this year, a grand total of 7,497,423 ft. of drilling was done in five western areas — Alberta, Saskatchewan, Manitoba, Northwest Territories and British Columbia. Projected to an annual basis this would amount to 8,996,907 ft., a little better than 1952's total of 8,764,000.

Exploratory drilling at 2,210,136 ft. included in the 10 months' total was practically the same as a year earlier.

What happened to maintain the 1953 level of drilling despite the Alberta decline is fairly well known. There has been an increase of approximately 100% in Saskatchewan footage drilled with no less than 1,858,914 ft. of hole completed in the wheat province, or nearly 25% of the 10-month total.

Discoveries of oil and gas often run in cycles and the lower rate of discoveries this year is not necessarily grounds for pessimism. As C. U. Daniels, chairman of the Canadian Petroleum Association points out, "we have obviously only scratched the surface in the Canadian west." Only 6,000 wells have been drilled in Canada as against 500,000 wells which have been drilled in the U. S. in the last 10 years. Yet the favorable area of sedimentary rocks is larger in Canada than in the United States.

The quality as well as the quantity of oil and gas discoveries is of considerable importance in assessing the results of the 1953 search.

Until recently there was no assurance that a major oil field — a field containing over 100 million bbls. of oil — had been found this year.

But the discoveries of Amerada Petroleum Corp. at Sturgeon Lake in the Peace River country of Alberta, of the Seaboard-Honolulu-Merrill-Cancoll Oil & Gas team at Pembina about 60 miles southwest of Edmonton and the important and related Rimbey and Homeglen discoveries made about 25 miles southwest of Bonnie Glen by Calmont Oils and California Standard respectively — all these have very real major field possibilities. It will be very surprising if one does not provide a major field and all three could easily prove within the major field classification.

In all three instances, there are at least two discoveries and confidence is not being based solely on single well results. And the discoveries are sufficiently far apart to suggest big field possibilities and the chances of reserves of perhaps 200 or 300 million bbls. in a brand new field.

In the Sturgeon Lake area of Peace River, 175 miles northwest of Edmonton and 85 miles south of Peace River town that phenomenal discoverer of oil, Amerada Petroleum Corp., has outlined an oil situation which many regard as the most promising thing to emerge on the western oil discovery horizon in 1953.

Amerada made an oil strike at Sturgeon Lake (Amerada Crown "O" F 33-32) prior to 1953 but followup drilling didn't give expected results. On April 13, 1953, a new well (Amerada Crown "R" F 3-19), 14 miles to the southeast of the first find, found 80 ft. of D3 Devonian pay zone at a depth of 8,706 ft. and rated an initial potential of 1,860 bbls. per day on test. When another well, Amerada Crown "Y" F 2-11, 4¼ miles to the southeast of the "R" F 3-19 well found about 170 ft. of D3 pay thickness above the water line, big field possibilities were obviously indicated. Depth of the productive horizon in each well suggests that both wells are securing their oil from one large common pool.

Even with an area of only 16 square miles and an average pay thickness of 70 ft., reserves could conceivably exceed 200 million bbls., providing close to as much oil as Leduc.

Add To Oil History

In the Pembina River area about 60 miles southwest of Edmonton, 45 miles west of Wizard Lake is another intriguing 1953 oil discovery story. Here the team of Socony-Vacuum Exploration Co., Seaboard Oil Co. (with Honolulu Oil Corp., Merrill Petroleums and Canadian Collieries) made western oil history June 20, 1953, when first oil production from the Cardium sand in Canada was established. An initial potential of 465 bbls. a day was established for the discovery well which showed 30 to 35 ft. of pay zone at about 5,310 ft. depth.

The partners then put down a well 6¼ miles northeast of the first which has demonstrated a pay thickness of 55 ft. in the Cardium. It has not yet been determined whether or not Pembina and North Pembina oil wells are located on the same or different oil pools. But gravity of oil (37 deg.) is the same and geological setting is similar.

Southwest of Bonnie Glen, the Rimbey and Homeglen discoveries were made within less than two months of each other. Calmont Oils, recently taken over by Anglo-Canadian, completed Calmont Rimbey No. 1 discovery well May 25, 1953, with 35 ft. of pay zone in the D3 formation overlain by 102 ft. of pay zone thickness of wet gas. Production was found at 7,893 ft.

The California Standard Homeglen 3-29 well, about five miles away, encountered no less than 396 ft. of wet gas pay as well as 35 ft. of oil pay zone. Because of same oil-water interface at these and other area wells the Rimbey and Homeglen strikes appear to be tapping a single large oil reservoir overlain by a huge gas cap. An expert witness at recent hearings of the Petroleum & Natural Gas Conservation Board estimated recoverable gas reserves in the Rimbey field to range from one trillion to three trillion cu. ft. The oil reserves could also be very substantial.

Followup drilling in coming months at Sturgeon Lake, Pembina, and Rimbey—and at other interesting strikes — will tell if western oil reserves are going to get another substantial increase of say 500 million bbls.

While oil and gas discoveries were less numerous in 1953, distribution of these discoveries may not be without significance. The Sturgeon Lake wells reinforce the belief that the vast expanse of Peace River in both Alberta and British Columbia is going to be productive of large reserves of oil as well as gas. Two of Saskatchewan's discoveries of light crude in 1953 — Forget and Midale — were located in the eastern part of the province re-emphasizing the very large area in Southern Saskatchewan favorable for oil. And Manitoba has had a number of further oil strikes in its southwest sector in the last six months.

Already the conclusion can be drawn that 1953 oil discoveries have established a further all-important base for the carrying out of further development drilling.

The Reins On Drilling

The commonly asked question, "Why didn't drilling activity continue to expand in 1953?" points up three situations which have been of concern to the oil industry:

1. Many of the newer independents, with large land obligations, and only modest production revenues, found it desirable — and necessary — to restrict wildcatting activities when easy "boom money" of earlier years was not again forthcoming.

2. Lack of markets for newer productive areas — such as Saskatchewan's Gull Lake, Java and North Premier 1953 discoveries.

3. Delay in the granting of a further permit or permits for export of gas from Alberta despite a gas discovery rate of perhaps three trillion cu. ft. per annum. (Gas wells are largely frozen assets.)

The major oil companies which have carried out the bulk of Western Canada's geophysical work have maintained, and sometimes enlarged, their programs. This is hardly surprising because the major companies have usually been the leaders in finding the really large western oil fields, have had the resources to capitalize on their newly found wealth. With oil marketing expected to show a 22% increase next year, however, independents are expected to have an increased ability to step up operations out of current income.

More mergers are in prospect and a smaller number of stronger units may be rewarded by a larger degree of activity. Of course, a lower price for crude, should it develop, could hold back the pace of exploratory drilling activity.

Entry of Anglo-Iranian Oil Co. into the Western Canada oil business through an investment of $5 millions to secure a 23% interest in Triad Oil Co. indicates that British and continental capital can be counted on to offset to a degree any diminution of capital from other quarters. There are more companies which would be prepared to offer a more attractive type of deal to English capital today than even a year ago. The Anglo-Iranian deal, approved by Triad shareholders last month, also provides that the English company, by putting up additional cash, can secure control of Triad. Triad might thus become the vehicle for a widespread Canadian program for Anglo-Iranian.

Of $300 millions spent on the oil exploration development phase of the Canadian oil industry in 1952, a little over half came from the United States. Spending in 1953 will show a modest increase at about $330 millions.

The Market Factors

With crude oil becoming fairly abundant in the world, and the possibilities of cuts in well head prices in Canada as well as elsewhere, spending on western oil may stay "flattened out" at around present levels. With a string of new discoveries, and drilling of numerous development wells in gas fields, however, a further upsurge in current level of spending would be anticipated.

A very steady although more gradual increase in oil producing ability is the prospect for the next few years. And markets rather than transportation facilities will be the likely limiting factor on the amount of oil going to market. As productive capacity builds up, Canadian oil will seek markets farther and farther afield. Right now we could ship oil into California. But tapping this market immediately would mean a well-head price the industry would not wish to accept. But as the need to market oil increases, it will be found advantageous to cut well-head prices if it means ability to enter new markets.

Fortunately, unit oil pipeline costs to the Pacific Coast will decline as the oil movement grows.

A developed oil potential of 380,000 bbls. a day appears a reasonable hope for the end of 1954. Should the price for oil go down, a prospective increase in gas returns will assist in keeping up the incentive for drilling. The relatively virgin status of the Canadian sedimentary basin means relatively shallower drilling, better chances for big fields, than in older areas. This country — on a cost basis — is in a much better position than the U. S. to stand competition in the business of producing oil.

The Outlook For Gas

Initial returns from gas — even with both Pacific Coast and eastern marketing projects maturing — will not be perhaps as great in dollar wellhead returns to producers as might be thought, even though usual wellhead prices are paid. Thus the West-coast Transmission line wellhead value for gas delivered may be little more than $2 millions a year on the basis of Pacific Coast delivery of 100 million cu. ft. of gas a day and a 7c per 1,000 cu. ft. wellhead price. Should the Trans-Canada Pipe Lines project be completed and 300 million cu. ft. of gas a day be used (after some years), value to the producer would only be about $12 millions a year at a wellhead price of 12c per 1,000 cu. ft.

But Alberta is estimated to be finding three trillion cu. ft. of gas a year. In other words enough gas is being found each year to supply a 300 million cu. ft. a day eastern market for well over 20 years. Enough gas is apparently being found in Western Canada to justify a "pipeline a year." Gas production is of much more importance than wellhead prices suggest. There are the extremely valuable petrochemical elements to be stripped from gas before it is piped to distant markets. Removal of petrochemical elements in no way effects the heating qualities. As gas production grows, Western Canada appears certain to become the home of a most impressive petrochemical industry. Increase in gas production will be quite gradual, so development of petrochemical industries can be planned systematically.

Very real progress is being made in developing Western Canada petroleum resources — progress that a relatively inactive share market fails to reflect. Overproduction of raw materials is a phenomenon which is likely to become less frequent in the world as the years pass by. And as the demand for petroleum products grows, Canada looks forward confidently to growth in her ability to produce and market both oil and gas.

The Gas Marketing Challenge

Here's How Battle of the Pipelines Stands Now

By W. L. DACK

No one knows who first thought of transporting Prairie natural gas all the way across a sparsely settled continent to Eastern markets. Even long after Leduc was discovered and gas reserves started to pile up in the search for oil no one was foolhardy enough to voice such a crazy dream.

Even today with all our knowledge of pipeline magic, such a proposal takes a little swallowing. But the very boldness of the thing has captured the imagination of Canadians as nothing else has for many years. It has given rise to bitter arguments from coast to coast and politics have become strangely intertwined with economics in this whole question.

And now before we've quite become used to the idea, far-planning gas experts are starting to hint at the early necessity of providing still further gas pipeline markets; that gas reserves are piling up so fast that whether we like it or not we are soon going to have to do business with the U. S.

Early last year, the Alberta Petroleum & Natural Gas Conservation Board estimated that some 1 trillion cu. ft. of extra gas reserves would be added every year for 10 years. They erred heavily on the conservative side.

It looks as if some 4 trillion cu. ft. have been added since then —enough to take care of the entire market demand of Eastern Canada for over 20 years. But that doesn't include two, and possibly three, fields discovered in recent weeks. In the exciting new Rimbey-Homglen field in Alberta expert estimates place gas reserves at anywhere from one to three trillion cu. ft.

The gas marketing challenge is going to be a continuing one and it is calling for tremendous decisions that must try to anticipate possible developments 10-20 years hence.

Many Problems Ahead

When produced with oil, gas is a fast-wasting asset if no market is provided. When found by itself, and then capped back because of lack of markets, incentive for further field exploration and development work quickly dies down.

Hundreds of gas wells in Western Canada have had to be capped back while opposing pipeline companies have battled for permission to construct multi-million dollar lines to big waiting markets. Although the two-year struggle is now practically over and construction starts are not far distant, many big problems remain.

Because some 80% of the entire market that is to be served rests on the very end of a 2,000-mile long pipeline—a situation unparalleled in pipeline history—the problem of economics has been well-nigh insurmountable. It has become pretty obvious that to make such a project economically feasible and financeable some radical steps will have to be taken.

Since Ottawa expressed its gas export policy last spring—no gas export to, or line through, U. S. until Eastern Canada's longterm requirements have been met—it has been obvious that any export proposal must have as its chief market objective the big, but far-distant Ontario-Quebec market.

Since Ottawa has never budged from this stand the problem has resolved itself into this: How can such a line be made to work? This in turn boiled down to one problem: What can be done to help overcome early year operations when it looked doubtful that a large enough market would be available to keep the line out of the red? (If it looked as if the pipeline was going to come up with deficits for a few years financing would be practically impossible.)

It became increasingly obvious as the export question grew in stature across the country that one or more of the following steps would have to be taken:

—Permit sizeable export into U. S. midwest market (Minneapolis-St. Paul) to help boost over-all pipeline load factor in early years.

—Build up the Eastern Canada market first by piping in either (a) natural gas from Southwestern Ontario reserves largely controlled by Union Gas Co. of Canada—this could be reversed back into Union's system once the all-Canada line has been completed to the East —(b) natural gas from U. S., imported into Niagara area for sale in Toronto metropolitan area.

—Export of large gas supplies into New York State from the end of an all-Canada pipeline system.

—Such subsidy aid from Ottawa as removal of duty on imported pipe and equipment for use in construction of the proposed pipeline from Western Canada, partial removal of sales tax, deferment of income taxes for several years.

Serious Wastage

An important governing factor in the whole question has been the need for speed in arranging for early market outlets for Western gas. Already, gas wastage in production of oil has reached a fairly alarming figure. This will expand sharply as oil production grows with the bigger market provided by completion of the Trans Mountain oil pipeline to the west coast.

This consideration alone has swung considerable Western support behind the plan to export gas first to Minneapolis and St. Paul. Such a market would also pay some ¾c per m.c.f. more for gas right from the start. If pipeline construction was started early next spring it is possible that deliveries could be made to the receiving pipeline company at a point near Emerson on the Manitoba-Minnesota border by late fall 1954 or early 1955.

The Western supporters of such a line argue that this project would provide the West with a quick market outlet at a fairly attractive starting price. It would provide time for market build-up in the East (by either of two proposals outlined above). It would greatly facilitate the whole financing of an eventual trans-Canada pipeline to the big Eastern markets. This, in rough, is the pipeline project proposed by Western Pipe Lines.

Two applications for permits to export gas out of Alberta have been before the Alberta Petroleum & Natural Gas Conservation Board since last spring—that of Trans-Canada Pipe Line Ltd. and Western Pipe Line Ltd.

Trans-Canada proposes a 30-in. line from the Princess field in Alberta to Eastern Canada. The line would travel an all-Canada route, swinging north of Lake Superior, serving the Lakehead cities and chief mining camps in Northern Ontario, before continuing on to Toronto with a smaller gauge line extending on to Ottawa and Montreal. This is the only pipeline proposal which meets with the Federal Government's gas export policy as laid down last spring by Trade Minister Howe.

Western Pipe Line plans to transport gas from Alberta to Winnipeg in the first year with a branch line down to Emerson on the border of Minnesota where a U. S. gas firm—Northern Natural Gas—would take delivery of 100-250 million cu. ft. a day for the Minnesota-St. Paul market. At a later date when market justified, the line would be pushed on to Eastern Canada.

Behind The Companies

Trans-Canada is controlled by Delhi Corp. in U. S. whose leading figures are the colorful Texan, Clinton W. Murchison who heads up Trans-Canada and his much-traveled head of operations and vice-president, Frank Schultz. Financial backer in U. S. is the investment house of Lehman Bros. In Canada McLeod, Young, Weir & Co. is behind the project.

Western Pipe Line is headed by Gordon P. Osler, 31-year-old president of the Winnipeg investment house of Osler, Hammond & Nanton. Well-known oilman Ray Milner has also thrown his weight behind the project. Other backers are Wood, Gundy & Co.; Nesbitt, Thomson & Co.; Anglo Canadian Oil; Calgary & Edmonton Corp., and International Utilities.

Many oil and gas officials claim the Trans-Canada proposal is uneconomical because of the limited market in early years and consequent difficulty in financing. An extensive survey done by the big U. S. engineering firm of Ford, Bacon & Davis, however,

(Continued on page 67)

EXPANDING MARKETS

Total Refinery Capacity At Double Pre-Leduc

Up 13% In Past Year, Broad Expansion, Modernization Continues

New markets for Canada's increasing oil resources are resulting from the large expansion of refinery capacity.

Not all of the new refineries being built in Canada will process Canadian crude. Where it is more economical to do so, some refineries will continue to depend on supplies from such places as Venezuela and the Near East.

New piplines — eastward and westward — are making it possible to carry the oil greater distances, however, and not only is new refinery construction in Western Canada extending use of Canadian crude, but a good dea of refinery expansion on the west coast of the U. S. and Canada and in Central Canada is based on oil from Leduc, Redwater and other Canadian fields.

Many companies, large and small, have contributed to the growth of Canadian refinery capacity to almost double the pre-Leduc level.

Some of the larger ones like Imperial Oil, British American Oil, Shell Oil of Canada, and McColl-Frontenac, have several projects completed recently or still under way.

Canadian Oil Companies, which had been mainly a distributing firm, last year completed the largest complete refinery to be built in Canada since the end of World War II.

Sun Oil Co., which also had confined its activities mainly to distribution, is making preliminary test runs on a large new refinery at Sarnia, Ont., and expects to have the refinery on full stream before the end of this year.

A significant development this year has been the entry of a large European firm, Compagnie Financière Belge des Petroles of Belgium, into the Canadian oil marketing picture.

Its subsidiary, Canadian Petrofina Ltd., has already started to develop service station outlets, and it plans to build a 20,000-bbl.-per-day refinery in the Montreal area to be ready in 1955.

The growth in the Montreal area is such that refineries there, on completion of present projects, will have a combined capacity equal to one quarter of the whole Canadian market.

Important additions are being made on the West Coast and in the Prairie Provinces.

Here is a table of the refineries and refinery additions planned or under construction, by areas:

New Refinery Capacity Planned or Under Construction

Province	Crude Oil per 24 hrs.
British Columbia	22,000
Alberta	7,100
Saskatchewan	17,000
Manitoba	8,000
Ontario	4,300
Quebec	32,000
Total	90,400

In the past year, crude oil capacity of Canadian refineries has been increased 15% from 454,700 barrels daily to 525,350. This is a 95% increase over the November, 1947, level of 263,165.

Cracking plant capacity has risen to 265,525 bbls. per day, up 22% from a year ago when the total was 218,225 bbls. per day.

The location of refining capacity on a provincial basis and its growth over the past five years is shown in an accompanying table.

Among the new refining projects or additions to refinery capacity now planned are:

1. **Imperial Oil Ltd.** is increasing its crude oil capacity at Montreal East refinery from present 46,000 bbls. per day to 58,000. New equipment includes a combination atmospheric and vacuum distillation unit and another vacuum distillation unit. The existing fluid catalytic cracking unit is being enlarged. Program should be completed late next year or early in 1955. Cost is estimated at $10 millions.

At Winnipeg, the company is building a 250-bbl.-per-day catalytic polymerization unit, costing $750,000. This will produce a high octane blending agent for gasolines. Ready next year.

Imperial is also considering erection of a $10 million 2,000-bbl.-per-day lubricating oil plant at Edmonton.

Its Regina refinery is undergoing a $7 million modernization to be completed early next year. New equipment includes an 8,100-bbl.-per-day vacuum distiliation unit, a 7,500-bbl.-per-day fluid catalytic cracker, a light ends plant and treating facilities, new steam generating equipment and additional storage tanks. The refinery's capacity will be increased to 22,500 bbls. per day.

2. **British American Oil Co.** is building a catalytic cracking unit and auxiliary facilities at its Clarkson, Ont., refinery at an estimated cost of $8 millions. Scheduled for completion in the spring of 1954. Revamped topping and vacuum units will increase crude oil capacity from 12,700 to 17,000 bbls. per stream day. A grease plant there was put into operation in June this year capable of processing 15 million lb. a year.

3. **Shell Oil Co. of Canada** is increasing the crude oil capacity of its Shellburn, B.C., refinery to 15,000 bbls. per day (from 8,000) and its catalytic cracking capacity to 5,000 bbls. per day (from 3,000). The new capacity should be ready early in the New Year.

In the past year, the crude oil capacity of its Montreal East plant was raised from 30,000 bbls. per day to 42,000 and its cat cracking capacity to 15,000 bbls. from 11,500. New facilities use propylene gas from the refinery's light ends treating plant to produce isopropyl alcohol and acetone. New changes are under consideration also which would raise catalytic cracking capacity at Montreal in 1954.

4. **McColl-Frontenac Oil Co.** plans to raise the crude oil capacity of its Edmonton refinery to 11,000 bbls. per day from present 7,000, and will construct thermal cracking facilities with a design charge rate of 3,000 bbls. per day.

5. **Trinidad Leaseholds (Canada) Ltd.** has called tenders for construction of a catalytic reforming unit at its Port Credit, Ont., refinery. Company plans to complete project next June, at a cost of more than $1 million.

6. **Sun Oil Co.** has completed construction of its refinery at Sarnia, Ont., which has a capacity of 15,000 bbls. per day. Preliminary test runs are now being made and it's expected that the refinery will be on full stream before the end of this year. Cost is estimated at approximately $20 millions.

7. **Royalite Oil Co.** built a 5,000-bbls.-a-day topping plant at Coleville, Sask., last spring and through a recently formed subsidiary, Royalite Products Ltd., embarked on a refinery project in the Brocklehurst district in British Columbia, six miles from Kamloops. Capacity is to be 5,000 bbls. daily,with cost estimated at $6 millions. First stage of the program was a crude oil distillation unit, to be ready this month, and a catalytic cracking unit is scheduled to be running a year from now. The new plant lies astride the new Trans Mountain pipeline.

8. **North Star Oil Ltd.**, Winnipeg, plans to build on a site it now owns at St. Boniface, Man., a new catalytic refinery with a capacity of 8,000 bbls. per day. Present plant at St. Boniface has a crude oil capacity of 4,000 bbls. daily. Cost of the new unit is estimated at $7 millions. Completion is scheduled for 1955.

9. **Canadian Petrofina Ltd.** has no refinery at present and has just started to build up service station outlets. However, it hopes to have about 100 retail outlets operating in Ontario and Quebec by the end of 1954, as well as more stations under lease, to provide a market for the products of a new refinery it is building in the Montreal area.

Capacity of the new refinery will be 20,000 bbls. of crude oil daily. Plan is to have it on stream by late 1955. Estimated cost is $20 millions. Of $50 millions authorized capital, $25 millions is being issued now — $5 millions raised in Canada, balance in Europe. All of the ordinary stock is held by the parent company, Compagnie Financière Belge des Petroles.

Plant will include atmospheric distillation, visbreaking, catalytic cracking, catalytic polymerization, catalytic reforming and catalytic desulphurization units, a treating plant for gasolines and light distillates and an ethyl blending plant. A delayed coking unit to process residual oils is being considered.

10. **Standard Oil Co. of British Columbia** is expanding its refinery at Burnaby, B.C. Modernization and expansion includes catalytic cracking and other facilities involving investment of $10 millions. Rated capacity of the new unit will be 10,000 bbls. daily. New facilities are due to be in operation in the early part of 1955. Will use Alberta crude from Trans Mountain pipeline (has been operating mainly on California crude.

11. **Hi-Way Refineries Ltd.** is just bringing into operation additional facilities which increase crude oil capacity of its Saskatoon refinery to 6,500 bbls. daily from 3,000 bbls. New facilities include 2,600 bbls. fluid catalytic cracking, 3,800 bbls. visbreaking, 1,600 bbls. catalytic desulphurization, and gas cencentration and catalytic polymerization units.

12. **Husky Oil & Refining Ltd.** has increased the crude oil capacity of its refinery at Lloydminster, Alta., to 5,400 bbls. daily when producing for asphalt. A new refining unit now being built will increase this daily crude capacity to 8,500 bbls. probably early in April, 1954.

13. **Wainwright Producers and Refiners Ltd.** has increased its thermal cracking capacity to 650 bbls. per day at its Wainwright, Alta., plant. Name of company has been changed from Wainwright Refineries Ltd.

14. **Excelsior Refineries Ltd.** expects to spend $50,000 this year

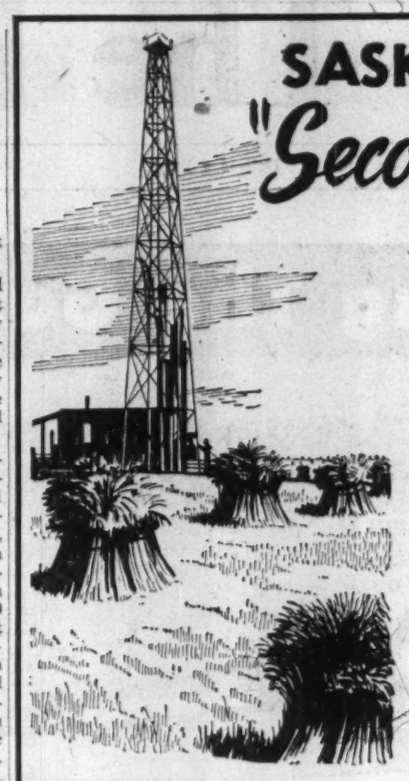
(Continued on page 65)

Capacities of Operating Refineries

Name of Company	Refinery Location	Crude Oil Capacity (Bbl. per 24 hrs.)	Cracking Capacity (Bbl. per 24 hrs.)	Plant Type
Nova Scotia				
Imperial Oil Ltd.	Imperoyal	22,000	10,000	Thermal
New Brunswick				
New Brunswick Oilfields Ltd.	Weldon	300	....	
Quebec				
British American Oil Co.	Montreal East	45,000	17,500	Catalytic
			3,500	Thermal
Imperial Oil Ltd.	Montreal East	46,000	14,300	Thermal
			15,500	Catalytic
			4,400	Catalytic polymerization
McColl-Frontenac Oil Co.	Montreal East	43,000	16,000	Catalytic
			13,800	Thermal
			4,500	Thermal reforming
			1,500	Catalytic polymerization
Shell Oil Co. of Canada	Montreal East	42,000	15,000	Catalytic
			8,000	Thermal
Ontario				
Canadian Oil Companies	Sarnia	20,000	3,500	Thermal
			4,000	Catalytic reforming
			10,000	Catalytic (fluid)
			1,200	Catalytic polymerization
Trinidad Leaseholds	Port Credit	7,500	3,500	Dubbs
Imperial Oil Ltd.	Sarnia	71,500	17,300	Thermal
			23,250	Catalytic
British American Oil Co.	Clarkson	17,000	4,500	Thermal
Riverlake Oils Ltd.	Fort William	4,000	....	
Sun Oil Co.	Sarnia	15,000	11,000	Catalytic
Manitoba				
Anglo-Canadian Oils Ltd.	Brandon	3,000	1,375	Dubbs
			35	Catalytic polymerization
North Star Oil Ltd.	St. Boniface	5,000	1,100	Dubbs
			800	Reforming unit
Radio Oil Refineries Ltd.	East Kildonan	2,000	....	
Imperial Oil Co.	Winnipeg	12,000	3,600	Catalytic
Saskatchewan				
British American Oil Co.	Moose Jaw	15,000	1,500	Thermal
			4,500	Catalytic
Royalite Oil Co.	Coleville	5,000	....	
Consumers' Co-operatie Refineries Ltd.	Regina	7,000	2,500	Dubbs
Hi-Way Refineries Ltd.	Moose Jaw	350	....	
Hi-Way Refineries Ltd.	Saskatoon	6,500	2,600	Catalytic (fluid)
Hi-Way Refineries Ltd.	Rosetown	350	....	
Imperial Oil Ltd.	Regina	17,000	9,700	Thermal
			300	Catalytic polymerization
Moose Jaw Refineries Ltd.	Moose Jaw	2,000	....	
Northern Petroleum Corp.	Kamsack	800	....	
Prince Albert Refineries Ltd.	Prince Albert	1,000	....	
Alberta				
Anglo-American Exploration Ltd.	Hartell	3,000	1,500	Thermal
Bonnyville Oil Refinery	Bonnyville	1,000	....	
British American Oil Co.	Calgary	7,200	2,500	Thermal
British American Oil Co.	Edmonton	7,000	2,000	Catalytic
			1,400	Thermal
Imperial Oil Ltd.	Calgary	9,200	4,600	Thermal
			600	Alkylation
Imperial Oil Ltd.	Edmonton	25,000	7,600	Thermal
			9,100	Catalytic
Husky Oil & Refining Ltd.	Lloydminster	*5,400	500	Catalytic reforming
Excelsior Refineries Ltd.	Lloydminster	2,500	....	
McColl-Frontenac Oil Co.	Edmonton	7,000	2,600	Catalytic
			2,200	Delayed coking
			250	Catalytic polymerization
Wainwright Producers & Refiners Ltd.	Wainwright	650	....	
British Columbia				
Imperial Oil Ltd.	Ioco	22,500	7,600	Catalytic
Shell Oil Co. of Canada	Shellburn	15,000	3,000	Thermal
Standard Oil Co. of B.C.	Burnaby	8,350	....	
Northwest Territories				
Imperial Oil Ltd.	Norman Wells	1,250	....	

* Capacity is 10,000 bbls. per day when producing Bunker "C" fuel oil.

Note: Catalytic polymerization, alkylation and delayed coking do not represent cracking but are listed in the column for information purposes.



SASKATCHEWAN'S "Second Harvest"

SASKATCHEWAN'S OIL AND NATURAL GAS INDUSTRY HAS SEEN UNPRECEDENTED DEVELOPMENT IN 1953.

HIGHLIGHTS

- During this year 1,000 to 1,200 wells will be drilled in Saskatchewan as compared with 496 in 1952 and 141 in 1951.
- Expenditures by oil companies on exploration and development will total $55,000,000 in 1953, almost double 1952 record total.
- The Saskatchewan Power Corporation constructed a 101-mile pipeline from Brock to Saskatoon, bringing natural gas to that city and communities on route.
- A 5,000 barrel a day topping plant was completed at Coleville.
- Refineries have announced expansion programs totaling $25,000,000.

INDUSTRIAL DEVELOPMENT OFFICE

GOVERNMENT ADMINISTRATION BUILDING, REGINA, SASK.

HON. T. C. DOUGLAS, Minister — D. H. F. BLACK, Director

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Company Survey

Stanwell

Stanwell Oil & Gas in June of this year increased its authorized capital to 4 million shares from 3 million. A total of 850,000 shares was then issued to Blair Holding Corp. of New York for the assets of Blair Oil & Gas Corp., which held interests in oil properties in Texas and Southeastern U. S. and in Egypt. Options were also given to Blair Holdings on 600,000 shares at $1, $1.25 and $1.50 a share, of which 400,000 shares have been taken up. A new slate of officers and directors has been elected to give Blair representation on the Stanwell executive.

In addition to the properties acquired from Blair, Stanwell has a stake in 14 producing wells in Alberta and in about 75,000 acres in that province and Western Saskatchewan. With two other companies, Stanwell is developing 13,607 acres at Erskine, where the team has completed seven oil wells. Company's share in the program is 35%.

In Southwestern Ontario, with Anchor Petroleums and Western Ashley Minerals, company plans a two- to three-deep-test-well program for gas and oil on 4,400 acres in Sombra Township, Lambton County. Company's interest is 50%. Stanwell also holds leases on a further 22,500 acres in the district.

Grips anything in sight

Coat a pair of inch-square metal surfaces with an Epon Resin, then clamp them together, lightly, for 45 minutes. It will take a two-ton pull to break them apart.

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Development of Epon Resins from petroleum is another example of Shell's partnership with industry and agriculture. Application of petroleum chemistry to your needs is our constant purpose.

Chemical Division
SHELL OIL COMPANY OF CANADA, LIMITED
Chemical Partner of Industry and Agriculture

SHELL

Want To Probe For Oil? Here's Cash You Need

What does an oil well cost in Western Canada?

Latest estimates show that, depending on where the well is sunk, it can cost anywhere from $30,000 to $70,000 in a proven field this year.

An exploratory well—either a real wildcat or a step-out from a proven field—can cost from $150,000 to $175,000. Some average about $25 a foot, and at least one wildcat topped the $1 million mark.

It's estimated that the current cost of bringing into production the usual 16 wells on a section of western land (640 acres) in a field like Redwater, Alta., is just about $1 million.

Canada's oil industry is spending big money to get our oil out of the ground. The latest optimistic estimate of 1953's exploration and development expenditures in the West are well over $330 millions. That money is swelling the coffers of Canadian business everywhere.

And it's a healthy boost from the $300 millions forecast as the 1952 total at this time last year.

Of that $330 millions total, more than $190 millions is being poured into exploration alone. The rest is going into development.

Almost $45 millions will have gone into survey work alone by the end of December, another $70 millions into exploratory drilling, more than $75 millions for oil lands and overhead.

Oil industry experts figure a geophysical survey costs almost $25,000 a crew-month, in salaries, supplies and equipment. In the first nine months of 1953, survey teams worked 1,414 crew-months. At the end of September, 187 crews were in the field.

Where The Money Goes

How about the wells themselves? Where does the money go? Here's a breakdown of the cost of a typical Saskatchewan or Western Alberta well producing from the relatively shallow depth of about 3,000 ft.

Property Costs	**$ 1,500**
(Lease rental, fencing, roads, surveying, drilling license.)	
Special Services	**$ 3,450**
Cementing	530
Drill Stem Testing	540
Logging	340
Diamond Coring	210
Perforating	430
Miscellaneous	1,400
Materials and Supplies	**$13,000**
Drilling Mud	150
Surface Casing (150 ft.)	600
Production Casing (3,000 ft.)	7,040
Casing Supplies	400
Cement	430
Drill Bits	50
Core Bits	200
Wellhead	800
Tubing	3,200
Miscellaneous	100
Contract Payment	**$11,000**
Footage Payment	9,000
Day Work	2,000
Miscellaneous	**$ 2,000**
(Company overhead, transportation, geological expenses.)	
TOTAL	**$30,950**

Such a well is comparatively cheap. Compare that to a 5,300-footer in the Leduc field, which can run to $70,000.

There's more expensive casing in a deeper well. Certain types of formation may skyrocket mud costs from $150 to more than $2,000.

The drillers may have to acidize for better production, and that alone can cost up to $1,000.

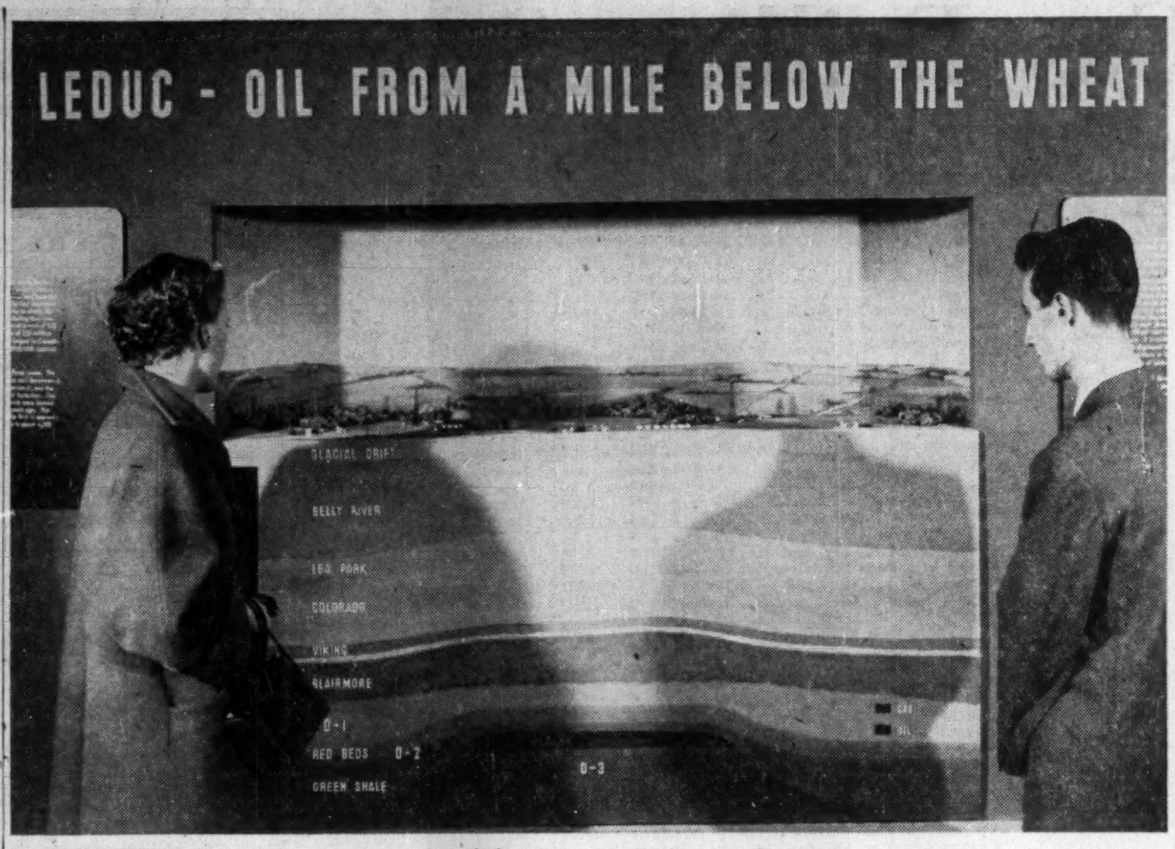
Cost of drill bits may jump from $50 to $450, and, of course, the contract footage payment can soar as high as $30,000 or more.

Take a typical section of land in a Western oil field like Redwater. It usually supports 16 wells. To develop it: a $1 million investment. Here's why:

Drilling and completing wells	$700,000
Pump installation	135,000
Flowlines	70,000
Battery and tanks	70,000
Roads and fencing	25,000
TOTAL	**$1 million**

The oil industry's investment is spread pretty broadly. Millions of dollars in wages are spent by its men, rushing small towns and cities alike into retail booms. Thousands more go into new roads, and this year more than $70 millions will be paid out in buying or retaining lands.

Oil money, that spent on exploration and development, is boosting Western Canada's economy faster and more widely than ever before.



OIL IS WHERE you find it, but how do you find it? First exhibit of its kind at the Royal Ontario Museum of Geology and Minerology at Toronto gives inside information on oil and its problems to laymen. The recently-opened exhibit sponsored by Imperial Oil Ltd., will be on display for a year. Two visitors are looking at a cross-section model of the great Leduc oil field in the picture above. Other panels show how oil plays the gypsy and wanders through rocks where it was formed. It shows the difficulties oilmen have in locating an actual deposit in the rock formations favorable to its presence. Models show a typical field geology party at work in the Rockies. A four-series shadow box dispiay explains work and instruments of geophysical crews who follow the field geologists. Visitors will see how seismologists set off small earthquakes to aid them in studying underground rock strata, and how others use sensitive gravity-meters and magnetometers.

An animated model shows a rotary drilling rig, of the type used this year to drill for oil in Southwestern Ontario. Another display takes the visitor to the bottom of a well. It shows an actual drill bit attached to drill pipe, together with samples of rock cores and cuttings brought up from a mile below prairie wheat fields.

Beside the three-dimensional display of Leduc field shown in the picture is a historical panel which commemorates Canada's first oil field near Oil Springs, Ontario. This field was the cradle of Canada's oil industry.

A "Christmas tree" stands in the centre of the exhibition floor, just as it would appear in a prairie oil field. It's not the kind of Christmas tree that Canadians will gather around this Yuletide season though. It is an oilman's Christmas tree—a collection of valves and chokes to control the flow of oil from a producing well.

Other panels show how oil is brought up from the deposit, how oil moves to market throughout the world, uses to which it is put, and Canada's own consumption of oil products.

How West's Oil Reserves Stand

Two Billion Bbls. Now, Curve Still Sharply Up

How big are Canada's oil reserves? Where are these reserves located? What are the prospects for expansion?

These are important questions these days with expanding marketing and refining facilities in western Canada.

Oil reserves are currently estimated at 2 billion bbls. but in view of a number of recent significant discoveries, it's thought reserves in coming months might increase to as much as 2.5 billion bbls.

The two billion bbls. represents "recoverable oil"—oil which can be recovered by primary production methods. In addition to this recoverable oil, there is probably another two billion bbls. of oil known from which some recovery may also be expected by secondary recovery methods such as well flooding.

Canada's greatest single reservoir of oil, aside from the McMurray bituminous sands, is the Redwater oilfield which is estimated to have 700 million bbls. of recoverable oil in the D3 Devonian section. Average thickness of pay is 98 ft. and the area has 927 producing wells.

Still second on Canada's list of big oil fields is Leduc-Woodbend with estimated recoverable reserves of 290 million bbls. including 200 million bbls. in the D3 zone, Alberta's biggest productive horizon. Leduc-Woodbend has now just over 1,200 producing wells.

Bonnie Glen-Pigeon Lake oil area now rates as Canada's third largest oil field with estimated recoverable reserves of no less than 250 million bbls.

Located on the southwest trend from the Leduc field, this new area has an average pay thickness of 230 ft. and had 68 producing wells at Sept. 30.

Next in importance among those fields for which authoritative reserve estimates are available is Golden Spike with estimated recoverable reserves of 162 million bbls. This 1949 discovery of Imperial Oil has now 15 producers and average pay thickness in the D3 zone is 540 ft.

Wizard Lake, 25 miles southwest of Edmonton, is another major Canadian oil field with estimated recoverable reserves of 101,600,000 bbls. The area has close to 50 producing wells and an average net pay thickness of 362 ft.

Authoritative estimates of oil reserves are not available for such important discoveries as Westerose (Fivelands), Fosterton, Lloydminster, Gull Lake, etc., but the west has many other substantial oil areas.

The Armena-Camrose area is estimated to have recoverable reserves of 80 million bbls. and has over 100 producing wells.

Acheson-Stony Plain field has estimated recoverable reserves of 62,460,000 bbls. of oil, shows a net pay zone of 80 ft. in the D3 zone, 48 ft. in the D2 zone, 10 feet in Lower Cretaceous. The area has 100 producing wells.

The Joseph Lake area, producing from the Viking sand, has estimated recoverable reserves of 24 million bbls. and also had 106 producing wells at Sept. 30.

Stettler has estimated reserves of 22,240,000 bbls. of which the bulk (18,400,000 bbls.) are in the D2 zone with balance in the D3. A total of 89 wells was on production at the end of September.

Turner Valley is still estimated to have 20 million bbls. of oil reserves and had 236 wells on production at the end of Sept.

Excelsior is tied with Turner Valley with recoverable reserves also placed at 20 million bbls. Another coral reef Devonian structure, Excelsior shows an average net pay zone of 59 ft. and had 36 producing wells at the end of September.

Saskatchewan's heavy crude field of Coleville is believed to have 70 million bbls. of oil of which 30 million bbls. are expected to be recovered by primary methods.

Malmo, 45 miles southeast of Edmonton and directly west of Duhamel, has estimated reserves of 15 million bbls. contained in the Lower Cretaceous and Devonian formations. A total of 51 wells was on production this fall.

Duhamel, 10 miles southeast of Armena-Camrose, and 50 miles southeast of Edmonton has an estimated 12,125,000 bbls. of reserves. September showed 29 wells producing from the Devonian with several of the wells taking output from both D2 and D3 zones.

Campbell, 10 miles north of Edmonton, has 10,500,000 bbls. of recoverable reserves and its oil is won from the Lower Cretaceous at about 3,704 ft. There were 15 wells capable of production in September.

Manitoba's Daly (Virden) field is known to have 100 million bbls. of oil but only 10 million bbls. is estimated to be recoverable by primary production methods. Experiments are being made with water injection.

New Norway is estimated to have 6,250,000 bbls. of recoverable oil in the Devonian; 17 wells are on production.

Big Valley has 5,568,000 bbls. of recoverable oil reserves with 40 producing oil wells.

With both Alberta and Saskatchewan dotted with newer oil discoveries, further drilling and evaluation is certain to mean new estimates of oil reserves which will far offset any production now being taken.

Discoveries in the Sturgeon Lake area of Peace River, at Pembina and Rimbey-Homeglen in the Edmonton-Calgary region could prove important enough by themselves to raise oil reserves by 500 million bbls.

Company Surveys

Security Freehold

Security Freehold Petroleums is primarily a land holding company deriving its income from rentals on its acreage leased to development companies and, from royalties in 14 producing wells on its Turner Valley holdings. The company also owns a producing well at Leduc and has a small share in another at Rimbey.

Mineral rights are held on 95,339 acres distributed over three areas in Alberta in the ratio of one or two sections to a township. North of Calgary between Innisfail and Crossfield 31,622 acres are held, 62,437 acres south of Calgary from Turner Valley to the Montana border and 1,280 acres west of Taber. Also holds 86,000 acres in Saskatchewan and 56,000 in Manitoba, plus participating interests in about 300,000 acres in a number of other areas of Alberta.

A small stake is held in gas and oil discoveries at Rochester and Eyremore, Alta. At Rochester, natural gas was encountered in four zones at rates ranging from 280,000 cu. ft. per day to 2.8 million, while the Eyremore wildcat found light oil in the Three Forks section of Devonian D1 zone. Followup wells in both areas were failures.

In the Virden field in Manitoba the company has retained one third carried interest in 320 acres recently farmed out for development to two other companies.

New Devon Pete.

New Devon Petroleums' interests at the close of its first year of operations included nine heavy grade oil wells at Marshall, Sask., 27 light oil wells at Leduc and two in the Erskine field in Alberta. The company is currently participating in development at Erskine and Lloydminster.

Land holdings comprise over 260,000 acres in Alberta and Saskatchewan. A small carried interest is also held in 100,000 acres about 1½ miles south of the most southerly Amerada Devonian oil success in the Sturgeon Lake area in Northwestern Alberta. This tract has been farmed out to Hudson's Bay Oil & Gas Co. for exploration.

Potash rights are held on 100,000 acres in Saskatchewan by a group with which the company is associated. Drilling is under way to determine the extent of the potash deposits. New Devon has a 5% share in this program.

The company's oil reserves are estimated at 1,650,000 bbls. of heavy oil in the Marshall field and 1.4 million bbls. of light oil at Leduc. Authorized capital is five million shares; 3.8 million shares are outstanding.

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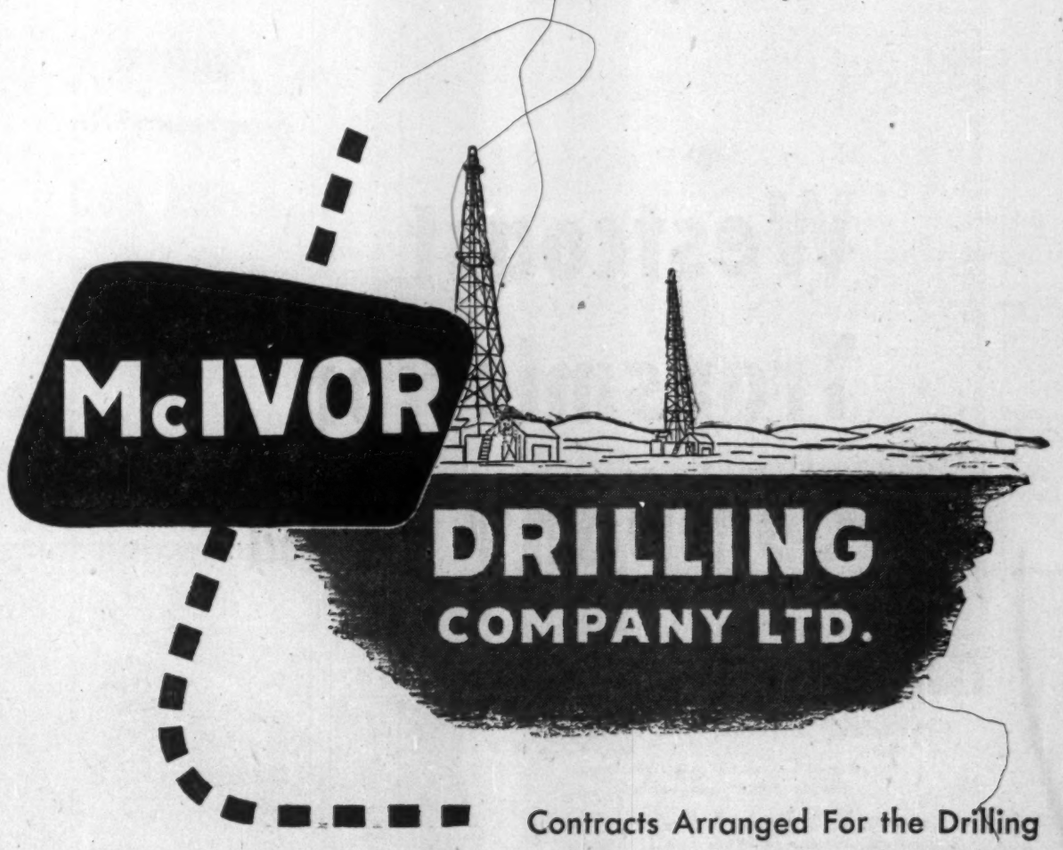


Contracts Arranged For the Drilling
And Supervision of Drilling
Of Oil Wells

HEAD OFFICE
400 Lancaster Building, Calgary, Alberta

The Current Oil, Gas Drilling Score

Activity and Results on Some 400 Test Holes in West

Some 400 wells are being drilled, are temporarily halted or have just been completed as successes or abandoned as failures, in Western Canada. Here are the facts about each, who is the main participant in it, where it is, and what progress it is making. The name of a well ordinarily consists of the abbreviated company names of the one or two most important participants, the district, and a number which distinguishes the well from others which the same "team" is drilling in the same area. Location of the well is given by numbers of the legal subdivision, section, township, and range west of which meridian of longitude.

Manitoba

Area:	Well:	Location:	Depth (feet)	Remarks:
Elgin	Souris Valley Warnez 13-5	5-13- 5-22w1	3,283	Working on stuck drill pipe
Virden	B.A. Union Grose 5-27	5-27-10-26w1	2,097	Oil well
"	Imperial Virden 7-28	7-28-10-26w1	357	Drilling
"	Virden 33-1	1-33-10-26w1	2,106	Prod. casing set
"	Can. Pipe. Prod.—Cruicksh'k 2-4	2- 4-10-28w1	....	Location
"	Can. Pipe. Prod.—Cruicksh'k 3-4	3- 4-10-28w1	....	Location
"	Can. Superior M&H 2-5	2- 5-10-28w1	2,545	Oil well
"	Cal. Stand. Daly 5-11	5-11-10-28w1	2,471	Oil well
"	Can. Pipe. Prod.—Jones 9-12	9-12-10-28w1	....	Location
"	Can. Pipe. Prod.—Jones 16-12	16-12-10-28w1	....	Location

Saskatchewan

Torquay	Shell Torquay A-8-4	8- 4- 3-12w2	5,456	Drilling
Midale	Killgore Leytze Palmer Oil 16-35	16-35- 5-11w2	5,245	Oil well
"	Shell Midale A-11-18	11-18- 6-10w2	4,698	Reaming
Kisbey	Tide Water Imperial Kisbey Cr. 1	16-34- 7- 6w2	....	Location
Verwood	Socony Sohio Verwood 1	9- 9- 7-28w2	8,179	Abandoned
Forget	Tide Water Forget Crown 10-11	10-11- 9- 7w2	....	Location
Mossbank	Socony Sohio Mossbank 1	13-27-11-28w2	4,850	Drilling
Wapella	Imperial Wapella 4-33A	4-33-14- 1w2	....	Location
"	Imperial Wapella 15-33	15-33-14- 1w2	....	Location
"	Imperial Wapella 3-31	3- 3-15- 1w2	2,500	Oil well
Marquis	Socony Sohio West Marquis 1	12-28-19-28w2	....	Location
Bangor	Socony Sohio Bangor 1	14-11-22- 2w2	1,510	Drilling
Waldron	Socony Sohio North Waldron 1	5-11-22- 4w2	....	Location
Ambassador	Socony Sohio Ambassador 1	1- 4-29-22w2	....	Location
Axe Lake	Socony Sohio Axe Lake 1	9-29-29-23w2	3,189	Drilling
Copeland	Socony Sohio Copeland 1	6-13-30-20w2	....	Location
Arena	Shell Albercan Arena A-6-30	6-30- 1-25w3	4,675	Drilling
Wood Mountain	Shell Wood Mountain 12	16-35- 3- 6w3	4,827	Repairing
Rapdan	Tide Water Rapdan Crown 15-34	15-34- 3-20w3	4,525	Coring
"	Tide Water Rapdan Crown 5-2	5- 2- 4-20w3	....	Location
Chambery	Imp. Tide W. Chambery Cr. 5-20	5-20- 5-18w3	4,956	Drilling
Dollard	Tide Water Dollard Crown 7-11	7-11- 7-20w3	4,770	Perforating
Wood Mountain	Shell Wood Mountain 15	4-11- 8-10w3	4,853	Abandoned
Lawrence Lake	Tide Water Law. Lake Crown 1	1-25- 8-20w3	4,790	Abandoned
Clearsite	Amurex Can. South. Lambie 1	15-12-10-29w3	....	Location
Gull Lake	Anglo Amer. Grid. Gull L. 15-34A	15-34-12-19w3	....	Location
Maple Creek	Amurex Can. So. Furgusen 1-13	13-12-12-28w3	3,667	Abandoned
Duncairn	Tide Water Duncairn Crown 16-28	16-28-13-15w3	....	Location
Gull Lake	Anglo Amer. Grid. Gull Lk. 2-3A	2- 3-13-19w3	....	Location
"	Gridoil Gull Lake 9-14C	9-14-13-19w3	3,910	Oil well
Midway	Soc. Wood, So. Gull Lk. 34-16A	16-34-13-19w3	....	Location
Premier	Soc. Wood. So. E. Premier 20-4	4-20-14-17w3	1,195	Drilling
Midway (SE)	Soc. Wood, So. S.E. Midway 2-3A	3- 2-14-19w3	....	Location
"	Soc. Wood, So. S.E. Midway 2-4B	4- 2-14-19w3	....	Location
"	Soc. Wood. So. S.E. Midway 3-2A	2- 3-14-19w3	3,769	Oil well
"	Soc. Wood. So. S.E. Midway 3-8A	8- 3-14-19w3	....	Location
Maple Creek	Amurex Can. South. Moser 2-2	2-17-14-26w3	3,158	Abandoned
"	Amurex Can. South. Sask. 1-6	6-12-14-30w2	1,559	Preparing to test
Premier (N)	Soc. Wood, So. N. Premier 30-5B	6-30-15-18w3	....	Location
Java	Tide Water Rautnac Crown 8-4	8- 4-16-15w3	....	Location
Fosterton	The Std. Oil Co-Fosterton 11-2B	2-11-17-18w3	3,185	Oil well
"	The Std. Oil Co-Fosterton 11-19B	9-11-17-18w3	3,240	Oil well
Elbow	Tide Water Imp. Elbow Crown 1	1-25-23- 6w3	4,022	Logging
Glidden	Husky Phillips Glidden 1	7-14-27-24w3	3,003	Conditioning hole
Smiley	Can. Southern Smiley 7-4	7- 4-31-25w3	....	Location
"	Can. Southern Smiley 5-10	5-10-31-25w3	2,422	Oil well
"	Can. Southern Smiley 11-10	11-10-31-25w3	2,425	Oil well
"	Can. Southern Smiley 13-10	13-10-31-25w3	....	Location
"	Imperial Smiley 3-15V-31-25	3-15-31-25w3	2,358	Oil well
"	Imperial Smiley 9-15-31-25	9-15-31-25w3	....	Location
"	Imperial Smiley 11-15-31-25	11-15-31-25w3	....	Location
Dewar	Can. Southern Dewar 7-12	7-12-31-26w3	2,558	Oil well
Buffalo Coul	Imp. Buffalo Coul. 13-(1)-15	13-15-32-24w3	2,200	Drilling
"	Imp. Buffalo Coul. 4(3)-23	4-23-32-24w3	....	Location
"	Imp. Buffalo Coul. 5(3)-23	5-23-32-24w3	....	Location
"	Imp. Buffalo Coul. 12(3)-23	12-23-32-24w3	....	Location
Cheviot	Potash Co. of Amer. Saskatoon 6	1-34-35- 3w3	3,427	Running directional survey
Biggar	Edoran Christie Biggar 2	7-12-36-15w3	2,685	Perforating
Scentgrass Lk.	North Pac. N. Can. Battleford 2	12-12-46-16w3	1,880	Abandoning
Lloydminster	Ribrock Oils 7	9- 9-46-27w3	....	Location
Lloydminster	Fargo Oils 68	11- 2-47-27w3	2,040	Oil well
"	Fargo Oils 73	12- 2-47-27w3	....	Location
Lloydminster	Fargo Oils 79	1-11-47-27w3	....	Location
"	Ribrock Oils 10	10-19-47-27w3	....	Location
Lloydminster	Franco Albercan Epping 3	3-20-47-27w3	....	Location
Lloydminster	Franco Silverdale 2	4-30-48-27w3	....	Location
Lloydminster	Franco Silverdale 4	5-30-48-27w3	....	Location
Lloydminster	L.D.C. 41	10-14-50-28w3	....	Location
"	L.D.C. 44	11-14-50-28w3	....	Location
"	L.D.C. 43	12-14-50-28w3	....	Location

Alberta

Coutts	Ponder-Rio-Prado 7	1- 6- 1-16w4	....	Location
"	Ponder-Rio-Prado 4	4- 6- 1-16w4	....	Location
"	Ponder-Rio-Prado 5	5- 6- 1-16w4	....	Location
Del Bonita	National Del Bonita 3	15- 5- 1-21w4	6,360	Acidizing
Pakowki Lake	Can. Montana Gas Co. Ltd. 6-34	6-34- 3-11w4	2,063	Coring
Foremost	O.I.L. Foremost 1	10-19- 6-10w4	....	Location
Keho Lake	Okalta Keho Lake 2	5- 8-11-22w4	6,890	Abandoned
Barons	Barons Brit. Dom. Montalban 6	14-15-12-23w4	4,012	Drilling
Armelgra	Northern Union Crown 4-9	4- 9-13-13w4	3,311	Preparing to perforate
Many Island	Britalta Schuler 1	11-31-14- 1w4	....	Location
"	Britalta Vale 1	6-17-15- 3w4	....	Location
Vulcan	Shell Little Bow River 15-23	15-23-16-26w4	2,770	Drilling
Atlee	High Crest Canoil Atlee Trust 1	3-34-21- 7w4	3,358	Drilling
Okotoks	Shell Trenholm & Barker 1	6- 1-21-29w4	3,610	Drilling
Bindloss	Chamberlain Bindloss 4-30	4-30-22- 4w4	2,518	Testing
Cessford	Allenbee Fargo & Assoc. 7-1	3- 9-23-13-w4	....	Location
"	Futurity Leimbock 1	13-12-23-13w4	....	Drilling surface hole
"	Amurex Trans Emp. Verlin 6-11	11- 5-24-12w4	....	Location
"	Amurex Trans Emp. Chris 6-14	14- 6-24-12w4	....	Location
"	Hudson's Bay Cessford 8A10	10- 8-24-12w4	3,010	Oil well
"	Hudson's Bay Cessford 8A16	16- 8-24-12w4	2,962	Drilling
Chancellor	Baysel Soc. Chancellor S. CPR 1	4-27-24-21w4	4,798	Waiting on larger rig
Baintree	B.A. et al Socony Baintree 1	3-19-25-24w4	7,720	Abandoned
Sunnynook	Amurex Ang. Can. S'nynook 17-9	9- 2-26-12w4	3,122	Testing
"	Amurex Ang. Can. S'nynook 10	10- 2-26-13w4	....	Location
"	Amurex Ang. Can. Sunnynook 6	1-11-26-13w4	....	Location
"	Amurex Ang. Can. Sunnynook 4	3-12-26-13w4	....	Location
Hanna	Amer. Leduc Yankee Can. Han. 1	11- 7-29-13w4	....	Location
Drumheller	Great Plains Okanagan 4-31	4-31-29-19w4	5,058	Drilling
Drumheller (W)	Hudson's B. W. Drumheller 35-11	11-35-29-21w4	....	Location
"	Hudson's B. W. Drumheller 35-14	14-35-29-21w4	5,607	Standing
"	Superior et al Drumheller 8-36	8-36-29-21w4	5,145	Drilling
"	Albermont West Drumheller 2	15-36-29-21w4	5,577	Oil well
"	Gulf Munson 5-9	5- 9-30-20w4	5,231	Drilling
"	Hudson's B. W. Drumheller 2-3	3- 2-30-21w4	2,703	Drilling
"	Hudson's B. W. Drumheller 2-6	6- 2-30-21w4	5,665	Completing
"	Gulf West Drumheller 10-11	10-11-30-21w4	....	Location
"	Gulf West Drumheller 16-11	16-11-30-21w4	5,725	Abandoned
"	Gulf West Drumheller 8-12	8-12-30-21w4	....	Location
"	Gulf West Drumheller 14-12	14-12-30-21w4	....	Location
"	Gulf West Drumheller 4-13	4-13-30-21w4	....	Location
Sedalia	Phillips Sedalia 1	9-15-31- 5w4	3,163	Drilling
Craigmyle	Morrin Delia Craigmyle Synd. 1	14-20-31-16w4	1,500	Drilling
Morrin	Gulf Morrin 6-17	6-17-31-20w4	366	Drilling
Wimbourne	Socony Wimbourne 14-11	11-14-34-26w4	7,750	Flow testing
Hamilton Lk.	Marwayne Ranchmen's 3-17	3-17-35- 9w4	....	Location
Big Valley	Gulf Law 2	2-14-35-20w4	....	Location
Big Valley (N)	Gulf C.P.R. Melnychyn 4	4-25-35-20w4	....	Rigging
"	Gulf C.P.R. Melnychyn 5	5-25-35-20w4	5,346	Oil well
"	Gulf C.P.R. Melnychyn 6	6-25-35-20w4	....	Moving in
"	Gulf C.P.R. Melnychyn 11	11-25-35-20w4	....	Location
"	Imp. H.B. Bib Valley 6-26N	6-26-35-20w4	4,873	Drilling
"	Imp. H.B. Big Valley 7-26N	7-26-36-20w4	3,813	Drilling
"	Gulf C.P.R. McAlister 6	6-35-35-20w4	4,419	Drilling
"	Shell North Big Valley B-3-36	3-36-35-20w4	3,475	Drilling
Elnora	Banff Signal Seab'd Elnora 14-2	14- 2-35-24w4	4,770	Drilling
Pine Lake	Amurex Calvan Three H. Cr. 1-3	3-30-35-25w4	7,186	Drilling
Provost	Imperial Provost 10-24	10-24-36- 5w4	2,429	Gaswell
Big Valley (N)	Gulf C.P.R. John 7	7- 1-36-20w4	5,272	Oilwell
"	Gulf Francis 9	9- 2-36-20w4	603	Drilling
"	Gulf Francis 16	16- 2-36-20w4	4,250	Drilling
Caprona-Fenn	Shell Caprona E-7-11	7-11-36-20w4	4,005	Drilling
"	Shell Caprona D-10-11	10-11-36-20w4	....	Location
"	Shell Caprona D-16-11	16-11-36-20w4	3,670	Drilling
"	Shell Caprona Crown A-3-12	3-12-36-20w4	5,256	D2 Oilwell
"	Shell Caprona A-14-12	14-12-36-20w4	....	Location
"	Gulf William 5	3-14-36-20w4	....	Location

(Continued on page 57)

Prudential Trust Company
Limited

Offering services as:

- REGISTRAR AND TRANSFER AGENT
- TRUSTEE FOR ESCROWS
- DISBURSING AGENT
- TRUSTEE FOR SYNDICATES
- TRUSTEE FOR OIL ROYALTIES
- TRUSTEE FOR MINERAL RIGHTS

Calgary Office
508 Eighth Ave. W.
G. D. Ash—*Br. Mgr.*

Edmonton Office
10175 100A Street
J. M. Easterbrook—*Br. Mgr.*

Company Surveys

Central Leduc

From Aug. 1, 1952 to Oct. 15, 1953, Central Leduc Oils participated in 20 wells in Western Canada including eight wells in the Armena area which proved productive and in which a 25% interest is held. Central also has an interest in two small wells in the Ratcliffe area of Southern Saskatchewan under their agreement with Socony-Vacuum Exploration Co.

A sixth interest is held in the Toad River project in British Columbia which was drilled to 4,456 ft. this year. Work has been suspended for the winter but plans call for the deepening of this well to test the Devonian at a depth of 5,000 to 6,000 ft. depth.

Central Leduc continues its substantial interest in Leduc production. Altogether the company has a gross interest in 2,383,529 acres of leases, reservations, permits and licenses representing net interest of 495,445 acres. Holdings are not only held in British Columbia, Alberta, Saskatchewan and Manitoba but in the U.S. as well.

In the year ended July 31, 1953, net income before depreciation, administrative and general expenses was $242,701. There was also $182,532 of income from office services, supervision, etc. An income of $188,515 before $92,532 of interest was recorded. Balance of $95,983 was written off for depreciation and amortization. Balance sheet as at July 31, 1953, showed $279,000 of the company's $2 million debenture issue redeemed. Net working capital was approximately $767,000.

Cdn. Oil & Gas

Canadian Oil & Gas Reserves Ltd., incorporated in 1952, has as its program, to explore and develop its holdings in Eastern and Southeastern Alberta, acquire lands in Alberta foothills, control as much acreage in Northwestern Alberta, B.C. and N.W. Territories as finances will permit, and to embark upon a long range program of construction of petrochemical plants and refineries in areas considered favorable after competent market surveys have been made.

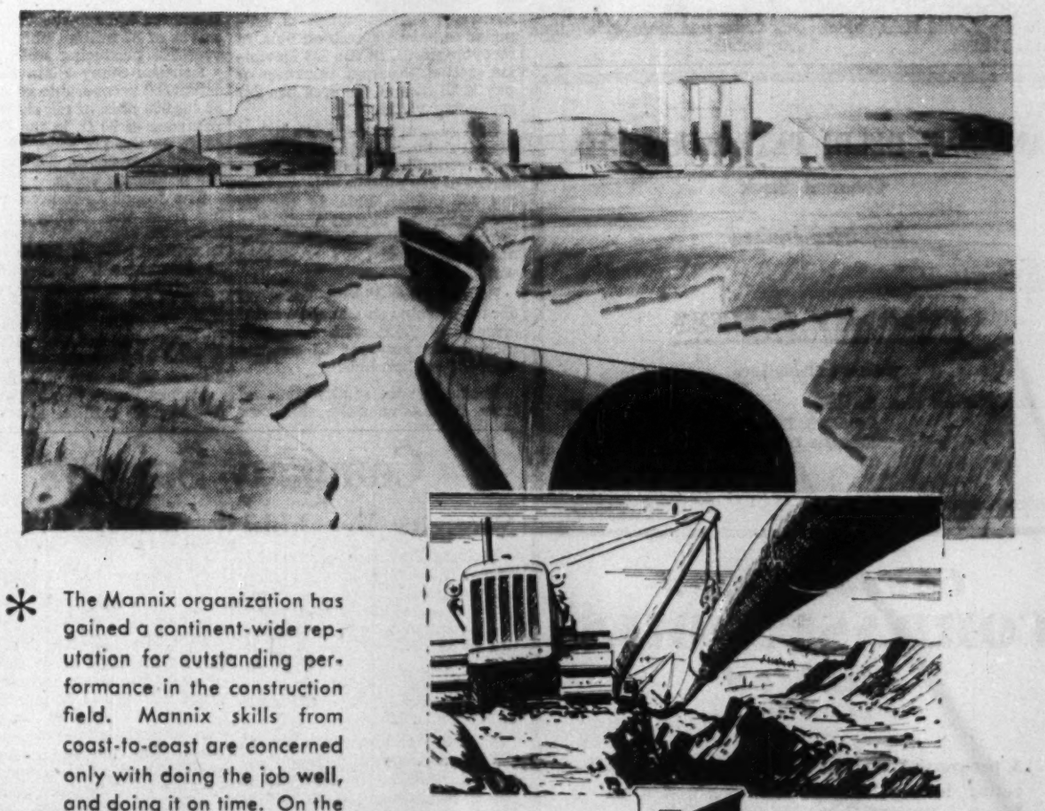
With its participation in the purchase for $1,250,000 of 640 acres in Oklahoma containing 18 producing oil wells, the company through its wholly owned subsidiary has 47 wells in that state. Estimated primary oil reserves of the 18 wells are in excess of 1.5 million bbls. In Seminole County four wells are planned on a property offset on three sides by production and another well is planned near Langston, Okla.

In the West Drumheller field of Alberta, the company and Albermont have successfully completed two wells in a four-well program. On 20,000 acres in the Atlee area, the company obtained a 12½% share in a venture which has found natural gas and heavy oil in the Sunburst sand. The well is drilling to test the lower horizons. An 8% interest is held in three capped wells in the Sunrise field in Northeastern B.C., and an associated firm operates a 5,000 bbls. daily capacity refinery at Coleville, Sask.

Westcoast Transmission Company Limited

Petroleum Building
Calgary, Alberta

When You Want The Job Done*!



* The Mannix organization has gained a continent-wide reputation for outstanding performance in the construction field. Mannix skills from coast-to-coast are concerned only with doing the job well, and doing it on time. On the Trans Mountain job, for example, Mannix crews completed their work over a month ahead of speedup schedule — nearly four months before the original schedule. Proof again that, when you want the job done, make it Mannix!

MANNIX LTD.

MONTREAL TORONTO WINNIPEG EDMONTON CALGARY VANCOUVER

Where Current Drilling Stands

(Continued from page 56)

Area:	Well:	Location:	Depth (feet)	Remarks:
Caprona-Fenn	Gulf Randon 10	10-14-36-20w4	316	Standing Cemented
"	Gulf C.P.R. Viola 9	9-15-36-20w4	4,961	Drilling
"	Gulf Henry 1	1-22-36-20w4	....	Moving in
"	Gulf Henry 8	8-22-36-20w4	....	Location
"	Shell Fenn B-9-22	9-22-36-20w4	....	Location
"	Shell Fenn B-16-22	16-22-36-20w4	40	Drilling
"	Gulf C.P.R. Mailer 2	2-27-36-20w4	5,268	Oilwell
"	Gulf C.P.R. Mailer 14	14-27-36-20w4	....	Location
"	Gulf C.P.R. Robert 10	10-35-36-20w4	5,270	Coring
"	Gulf C.P.R. Robert 13	13-35-36-20w4	....	Location
"	Gulf C.P.R. Robert 14	14-35-36-20w4	5,347	Coring
Ewing Lake (SW)	Gulf C.P.R. Kerbes 6	6-23-36-21w4	4,013	Drilling
Rosenheim	Sage Rosenheim C-13-16	13-16-37- 1w4	....	Location
Rosenheim	Sage Rosenheim B-4-20	4-20-37- 1w4	....	Location
Rosenheim	Sage Rosenheim A-11-20	11-20-37- 1w4	....	Location
Rosenheim	Sage Rosenheim 6-29	6-29-37- 1w4	....	Location
Shooting Lk.	W. Can. Dome Shooting Lk. 10-28	10-28-37-17w4	4,207	Drilling
Stettler	Gulf C.P.R. McCallum 4	4-15-38-20w4	....	Location
"	Gulf C.P.R. Shinness 11	11-21-38-24w4	....	Location
"	Gulf C.P.R. Nelson 13	13-23-38-20w4	....	Location
Joffre	Can. Superior Morton Estate 8-19	8-19-38-25w4	....	Location
"	Can. Superior Morton 14-19	14-19-38-25w4	2,299	Drilling
"	Can. Superior Morton 15-19	15-19-38-25w4	4,966	Oilwell
Joffre	Great Plains Joffre 4-20	4-20-38-25w4	....	Location
"	Selbay Unit Joffre 12-20	12-20-38-25w4	4,972	Running casing
"	Great Plains Unit Joffre 1-30	1-30-38-25w4	4,990	Oilwell
"	Great Plains Joffre 2-30	2-30-38-25w4	295	Standing cemented
Provost	Provost Slim Hole 5	1-20-39- 5w4	?	Abandoned
Stettler(N)	Husky Gulf Can. Sup. N. Stetr. 1	14-28-39-20w4	600	Drilling
Erskine	Gulf Stanwell Nichols 8	8-11-39-21w4	5,041	Drilling
"	Oilwell Operators Erskine 6-12	6-12-39-21w4	5,365	Oilwell
Clive	B.A. Cities Service Clive 4-15	4-15-40-24w4	5,763	Drilling
Provost	Provost Slim Hole 2	6- 2-41- 4w4	....	Location
"	Provost Slim Hole 3	10-12-41- 5w4	....	Location
"	Provost Slim Hole 4	7-22-41- 5w4	....	Moving in
"	Provost Slim Hole 6	1-28-42- 3w4	....	Location
Hardisty	Imperial Hardisty 16-20-41-10	6-20-41-10w4	2,410	Coring
Chauvin	Husky Phillips Chauvin 1	15-15-43- 1w4	....	Preparing location
Chauvin	Rio-Prado Chauvin 10C-22	10-22-43- 1w4	....	Location
"	Rio-Prado Chauvin 15C-27	15-27-43- 1w4	....	Location
"	Rio-Prado Chauvin 3C-28	3-28-43- 1w4	....	Location
"	Rio-Prado Chauvin 11C-28	11-28-43- 1w4	....	Location
Malmo	Marwayne Dragon Malmo 15-12	15-12-44-22w4	....	Location
Dyberg	Texaco Cal. Stand. Dryberg 1	8-15-44-23w4	6,287	Drilling
Wainwright	Amer. North. Wainwright 7B4	4-21-45- 6w4	....	Location
"	Amer. North. Wainwright 10B13	13-23-45- 6w4	....	Location
Wainwright	Saguenay American Northland 7	12-27-45- 6w4	....	Location changed
"	Amer. North. Wainwright 16B16	16-28-45- 6w4	2,260	Oilwell
Duhamel	Mill City Socony Flin A1	1-19-45-21w4	....	Location
Armena-Cam.	Can. Superior Crown Hoyme 16-2	16- 2-46-20w4	....	Location
Westerose	Gulf Norman 16	16- 4-46-28w4	....	Location
"	Gulf Vina 6	6-10-46-28w4	6,702	Coring
Bonnie Glen	Stan. Cal. Stand. Pigeon Lk. 1.R.8	9-24-46-28w4	6,246	Drilling
"	Texaco Pigeon Lake 1-25	1-25-46-28w4	5,501	Drilling
"	Texaco Pigeon Lake 4-25	4-25-46-28w4	7,080	Oilwell
Bonnie Glen	Texaco Pigeon Lake 6-25	6-25-46-28w4	....	Location
"	Texaco Pigeon Lake 6-36	6-36-46-28w4	6,950	Standing cemented
"	Texaco Pigeon Lake 12-36	12-36-46-28w4	6,229	Drilling
"	Texaco Bonnie Glen B-16	5- 6-47-27w4	....	Location
"	Texaco Bonnie Glen B-14	6- 6-47-27w4	7,181	Ran tubing
"	Texaco Bonnie Glen B-15	12- 6-47-27w4	7,156	Running liner
"	Imp. H.B. Bonnie Glen 6-8L	6- 8-47-27w4	....	Rigging
"	Texaco Bonnie Glen CPR C-3	6-17-47-27w4	5,656	Drilling
Bonnie Glen	Texaco Bonnie Glen C-8	10-18-47-27w4	5,205	Drilling
Armena-Cam.	Texaco Bonnie Glen C-9	15-18-47-27w4	3,760	Drilling
"	Imperial Dinant 2-8V	2- 8-48-20w4	....	Location
"	Superior Dinant 10-8	10- 8-48-20w4	3,240	Oilwell
"	Superior Dinant 16-8	16- 8-48-20w4	3,621	Drilling
"	Hudson's Bay Armena 24-1	1-24-48-21w4	3,303	Oilwell
"	Hudson's Bay Armena 24-2	2-24-48-21w4	3,226	Drilling
Wizard Lake	Hudson's Bay Armena 24-7	7-24-48-21w4	3,209	Drilling
Glen Park	Hudson's Bay Armena 24-8	8-24-48-21w4	3,300	Oilwell
Lloydminster	Texaco Wizard Lake CPR A-4	1-27-48-27w4	6,657	Abandoned
Lloydminster	Texaco Glen Park C-2	14-36-48-27w4	4,675	Abandoned
"	Blue Crown Fletcher CPR 2	14-27-49- 1w4	....	Location
Armena-Cam.	Husky West Centre 1	15- 5-49- 2w4	....	Location
"	Husky Wildwood 2 Strat Test	9-23-49- 4w4	....	Location
"	Imp. Gulf H.B. Hay Lakes 7-9V	7- 9-49-21w4	....	Location
"	Imp. Gulf H.B. Hay Lakes 12-9V	12- 9-49-21w4	3,290	Oilwell
"	Imp. Gulf H.B. Hay Lakes 13-9V	13- 9-49-21w4	....	Location
"	Imp. Gulf H.B. Hay Lakes 16-9V	16- 9-49-21w4	....	Location
Kavanagh	Imp. Gulf H.B. Hay Lakes 3-29V	3-29-49-21w4	185	Drilling
Leduc-Wood.	Richfield Oil Corp.-Alex. 10-3	10- 3-49-24w4	5,964	Abandoned
"	Marjack Leduc 8	4- 7-49-25w4	....	Location
"	Skyline Ban. N. Devon P&R 13-20	13-20-49-25w4	....	Location
"	Imperial Leduc 608	6-29-49-25w4	....	Location
"	Imperial Leduc 601	8-30-49-25w4	625	Drilling
"	Whitehall Leduc 4-14	4-14-49-26w4	5,329	Preparing to run casing
"	Whitehall Leduc 6-14	6-14-49-26w4	4,511	Drilling
"	Whitehall Leduc 1-15	1-15-49-26w4	....	Location
"	Imperial Leduc 603	13-25-49-26w4	....	Location
"	Imperial Leduc 602	14-25-49-26w4	5,003	Drilling
"	Imperial Leduc 607	4-34-49-26w4	625	Drilling
Lloydminster	Imperial Leduc 584	1-35-49-26w4	5,444	Oilwell
Joseph Lake (N)	Imperial Leduc 542	6-35-49-26w4	....	Location
Rollyview	Imperial Leduc 581	12-36-49-26w4	....	Location
Leduc-Wood.	Husky C.W. Blackfoot 63	4-28-50- 1w4	....	Location
"	Imp. Joseph Lake North 10-34	10-34-50-22w4	....	Location
"	Union Imperial Kneller 4-5	4- 5-50-23w4	....	Location
"	Imperial Leduc 598	6- 2-50-26w4	5,117	Oilwell
"	Maralta Trans Western 2	14- 5-50-26w4	....	Location
Leduc-Wood.	Imperial Leduc 599	10- 6-50-26w4	5,184	Oilwell
LeducWood.	Imperial Leduc 606	9-15-50-26w4	....	Location
"	Decalta Ucana Leduc 4	11-17-50-26w4	....	Rigging
Lloydminster	Imperial Leduc 600	4&5-29-50-26w4	5,005	Drilling
Whitemud	Imperial Leduc 505	4-31-50-26w4	....	Location
Leduc-Wood.	Imperial Leduc 605	13-33-50-26w4	....	Location
"	Todson 1	3-14-51- 5w4	....	Location
"	Can. So. Pan. West. Imp. W. 8-16	8-16-51-25w4	5,850	Abandoned
"	Imperial Woodbend 112	4- 9-51-26w4	....	Location
"	Imperial Woodbend 113	51- 9-51-26w4	....	Location
"	Imperial Woodbend 114	12- 9-51-26w4	1,352	Drilling
"	Imperial Woodbend 115	13- 9-51-26w4	3,558	Drilling
"	Imperial Woodbend 110	6-16-51-26w4	3,888	Drilling
"	Imperial Woodbend 111	3-21-51-26w4	3,814	Drilling
Woodbend	Imperial Woodbend 106	12-22-51-26w4	5,253	Logging
Golden Spike	Union A.J. Hillyer 3-32	3-32-51-26w4	4,600	Drilling
"	Imperial Golden Spike 24	6-23-51-27w4	....	Location
Ardrossan	Imperial Golden Spike 23	10-27-51-27w4	4,936	Drilling
Acheson-S.P.	New Cont. Ponder Ft. Sask. 1	6-15-53-22w4	4,875	Abandoned
Ft. Sask.	Cal. Stand. Welbourne 2-3	2- 3-53-26w4	5,124	Oilwell
Morinville	Mid West. Ft. Sask. 10-14	10-14-54-22w4	2,600	Running casing
Excelsior	Melton Morinville 1	7- 5-55-25w4	3,830	Drilling
"	Imperial Excelsior 2-29B	2-29-56-24w4	....	Location
"	Imperial Excelsior 5-31B	5-31-56-24w4	....	Location
Eastgate	Imperial Excelsior 13-31B	13-31-56-24w4	....	Location
Lost Point Lk.	Imperial Eastgate 1-22	1-22-57-22w4	3,875	Drilling
"	Imperial Lost Point Lake 6-16V	6-16-57-23w4	2,460	Gaswell; completed 1952
"	Union Citation Fairydell 4-21	4-21-57-24w4	....	Location
"	Union Fairydell 7-21	7-21-57-24w4	....	Location
Legal	Imperial Fairydell 7-24-57-24	7-24-57-24w4	2,743	Gaswell
Primrose	Imperial Fairydell 3-28L	3-28-57-24w4	3,023	Drilling
Bonnyville	Imperial Legal 9-16V	9-16-57-25w4	....	Location
Bonnyville	Echo Falls 1	1- 8-58- 4w4	....	Location
Bonnyville	Trican Bonnyville 13	12- 6-61- 5w4	....	Location
"	Trican Bonnyville 12	12- 6-61- 5w4	....	Location
"	Trican Bonnyville 11	13- 6-61- 5w4	1,145	Oilwell
Bonnyville	Trican Bonnyville 15	4- 7-61- 5w4	....	Location
Bonnyville	Trican Bonnyville 17	9- 1-61- 6w4	....	Location
Bonnyville	Trican Bonnyville 16	9- 1-61- 6w4	....	Location
Bonnyville	Trican Bonnyville 14	2-12-61- 6w4	....	Location
Glendon	Trican Bonnyville 8	7-12-61- 6w4	....	Location
"	Trican Glendon 1	11-21-61- 8w4	126	Drilling
Goodfish Lk.	Trican Glendon 2	9-26-61- 9w4	....	Location
Nestow	Dombro Oil Holdings 1	9-35-61-13w4	....	Location
Analta	Imperial Helliwell 15-8-61-24	15- 8-61-24w4	....	Location
Meadowbrook	Sharples Sun Sparrow 15-5	15- 5-62-24w4	2,894	Drilling
Cold Lake	Sinclair Meadowbrook 1	16-22-62-25w4	....	Location
Cold Lake	Kenare Bonnyville 1	9-11-63- 4w4	....	Location
"	Continental Bonnyville 29	3-30-63- 4w4	....	Location
Sandy Rapids	Continental Bonnyville 27	11-30-63- 4w4	....	Location
Sept. Lake	Geodell Bonnyville 1	16- 5-64- 8w4	325	Repairing
Sarcee	Cal. Stand. September Lk. 5-14	5-14-67-25w4	2,485	Drilling
Jumping Pound	Shell Home Sarcee 1	12- 6-23- 3w5	....	Location
"	Shell Jumping Pound Unit 11	14-29-24- 4w5	10,311	Cleaning out hole
Olds	Shell Jumping Pound Unit 12	5-10-26- 5w5	9,330	Logging
Didsbury	Shell Olds 5	10-32-31- 1w5	7,600	Fishing
Garrington	W.I.P.P. Didsbury 16-13	16-13-31- 4w5	....	Location
Evergreen	Superior et al H.B. Garr. 11-33	11-33-34- 4w5	8,189	Coring
Evarts	Texaco Gulf H.B. Evergreen 1	16-29-37- 3w5	9,449	Gaswell
Rimbey	Hudson's Bay Gulf Evarts 1	3-15-38- 3w5	9,600	Standing cemented
"	Western Rimbey 19-13	13-19-42- 1w5	....	Location
"	Western Rimbey 23-1	1-23-42- 2w5	8,212	Drilling
"	Calmont Rimbey 3	9-23-42- 2w5	7,965	Oilwell
"	Shell Rimbey "A" 9-25	9-25-42- 2w5	8,057	Production testing
"	Imperial Rimbey 1-26L	1-26-42- 2w5	....	Rigging
"	Decalta Dome et al Rimbey 9-26	9-26-42- 2w5	....	Rigging
Homeglen	Cal. Stand. Homeglen 11-20	11-20-43- 1w5	7,986	Oilwell
"	Calvan Merrill Homeglen 1-32	1-32-43- 1w5	7,174	Drilling
Hoadley	Gulf C.P.R. Stevens 12	12-25-44- 1w5	5,075	Drilling
Westerose	Gulf Gist 1	1-36-45- 1w5	7,087	Coring
Springdale	Cities Service Springdale 1	15-11-45- 2w5	2	Drilling
Minnehik	Can. Delhi Gt. Plains et al 11-33	11-33-46- 6w5	5,710	Drilling
Buck Creek	Imp. Can. Superior Buck Cr. 14-29	14-29-48- 6w5	4,302	Drilling
Pembina	Socony Sea. Violet Grove 30-2	2-30-48- 7w5	4,816	Testing
"	Socony Seaboard Pembina 9-12A	12- 9-48- 8w5	5,334	Coring
"	Socony Seaboard Pembina 12-12	12-12-48- 8w5	3,630	Testing
"	Socony Seaboard Pembina 16-8	8-16-48- 8w5	725	Reaming

(Continued on page 58)

Alberta Has Secure Hold On Oil Crown

Alberta is still very much the "Texas of Canada" and appears likely to retain this position for many years to come. Despite light crude discoveries in Saskatchewan, Manitoba and promising crude indications in both British Columbia and the Northwest Territories, Alberta is still the top bracket oil exploration and oil development area.

Even without a steady new market on the Pacific west coast arising with the placing of the Trans-Mountain pipeline in operation, 47,404,407 bbls. of oil were marketed in the first eight months of this year including 7,958,813 bbls. in August.

This represents an average of 256,700 bbls. daily for August, 195,000 bbls. daily for the first eight months. Crude production was 37.7% higher than in Aug., 1952, 30.6% higher than in the initial eight months of 1952.

But ability to produce crude, of course, was much greater than oil turned out, due to limited markets and market transport facilities now gradually being corrected. Developed oil productive potential — the amount of oil which could be turned out economically—is estimated at about 330,000 bbls. daily for Western Canada, of which 300,000 bbls. represents Alberta's portion.

Drilling for oil and gas in Alberta to the end of October totaled 5,269,109 ft. against 5,531,439 ft. in the same 1952 period. While the tempo of drilling has been definitely lower in 1953 (although 32,000 ft. up at 548,620 ft. in August), 586 new oil wells were added plus 34 gas wells in the initial eight months, against 612 oil wells and nine gas wells last year. Completion of new oil wells at rates such as this continues to push the developed oil productive potential higher.

Several discoveries which could prove comparable to Leduc were made in 1953—Sturgeon Lake in Peace River country, Pembina, southwest of Edmonton, Rimbey, north of Calgary. Almost innumerable new discoveries of possibly smaller size have been made in Alberta and drilling out of these finds has been helping to boost oil-producing ability along with drilling in established fields.

Here are figures on number of productive wells by leading areas to show what has been happening:

OILS WELLS ABLE TO PRODUCE

	Aug. 31 1953	July 31 1953	Aug. 31 1952
Acheson	101	100	92
Armena-Camrose	231	244	105
Big Valley	40	40	37
Bonnie Glen	66	59	10
Cessford	13	9	...
Chauvin	15	15	...
Clive	16	15	4
Drumheller	14	14	12
Duhamel	29	29	20
Erskine	12	9	...
Excelsior	36	35	35
Fenn	51	46	13
Golden Spike	13	12	10
Joseph Lake	106	101	81
Leduc-Woodbend	1,197	1,189	1,013
Lloydminster	330	248	275
Malmo	51	49	15
Namao	16	16	8
New Norway	17	17	16
Nth. Big Valley	30	26	1
Princess	13	13	14
Redwater	927	926	923
Stettler	90	90	62
Turner Valley	326	326	329
Vermilion	31	31	26
Wainwright	20	19	14
Westerose (Pigeon Lake)	9	8	...
West Drumheller	30	28	...
Wizard Lake	45	44	24
Oth. fields, areas	309	298	187

Several dozen other sections actually recorded production in August. Some of them are newer strikes which may assume considerable importance before another season passes.

Among other areas which now have anywhere from five to 15 producing wells are Alliance, Armisie, Battle, Baxter Lake, Bon Accord, Bonnyville, Campbell, Conrad, Del Bonita, Ellerslie, Fairydell, Glen Park, Legal, Peavey, South Camrose, Taber.

It will be seen that Alberta is now a long way removed from being a one-, two- or even three-field oil industry. There are numerous well diversified sources of oil, most of them based on Prairie Devonian structure.

With all these discoveries it might be thought that the province has been pretty well combed over and that the best remaining possibilities might lie elsewhere.

Oil men, however, don't see it that way. And the concentration of seismic work and exploratory drilling in Alberta provides eloquent testimony that big as well as little surprises are expected.

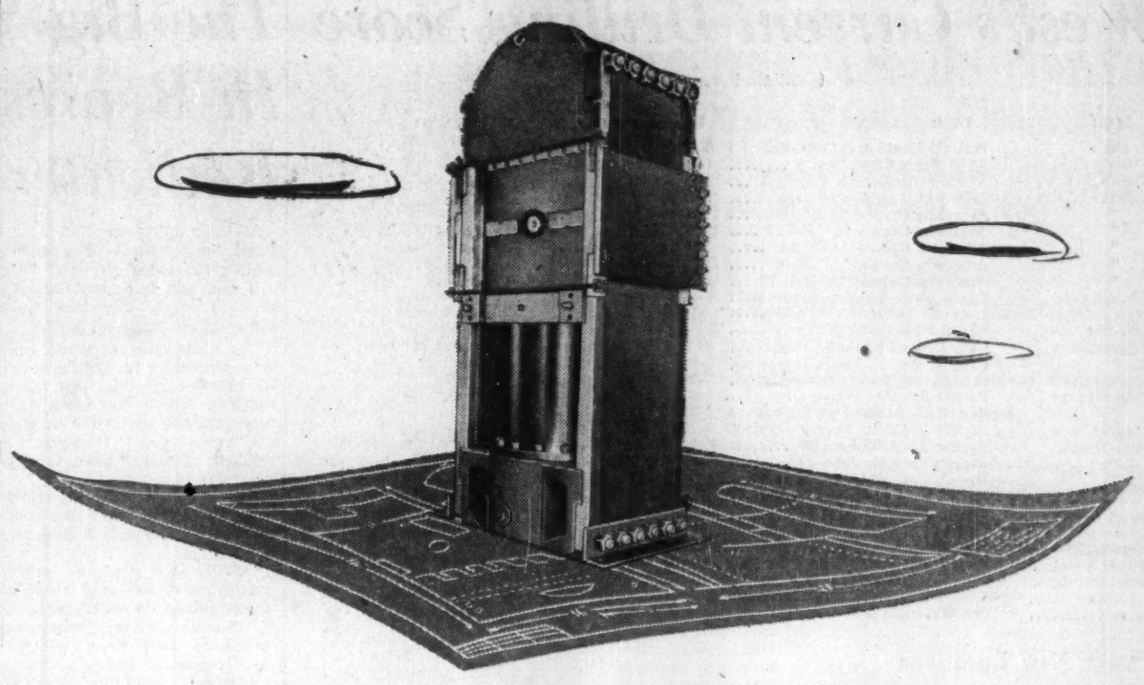
The growing importance of gas, and the fact that gas is found in many exploratory oil wells, has also served to sustain interest in Alberta oil possibilities at high levels.

Statistically, some interesting arguments have been advanced to support the view that but a small part of Western Canada's (and Alberta's) oil resources have yet been established. About half of North America's favorable sedimentary rocks lie in Western Canada but only about 6,000 wells have been drilled there compared with about 500,000 wells drilled in U. S. in the last 10 years. The "surface has scarcely been scratched" is the way one oil man puts it.

With the Trans-Mountain pipeline completed and in operation and the extension of the Interprovincial pipeline to Sarnia from Superior, Wisconsin, finished, Alberta oil has a greater ability to "cash in" on a broader range of markets.

The major spurt in production which was hoped for at this time, however, is not occurring chiefly because markets haven't opened up in quite the fashion expected.

(Continued on page 58)



machines are as light as their blueprints

Most process machinery is special. Much of it is heavy. Sometimes slight alterations are necessary to meet individual requirements. Cost of importation and transport are high. Capital cost is often higher too than building at home.

Dominion Wheel & Foundries Custom Fabrication Division takes your blueprints, regardless of source, and builds to specifications. In fact they often build even better than the original (the giant hydraulic press illustrated) by substituting Noduloy for cast iron where extra strength is indicated.

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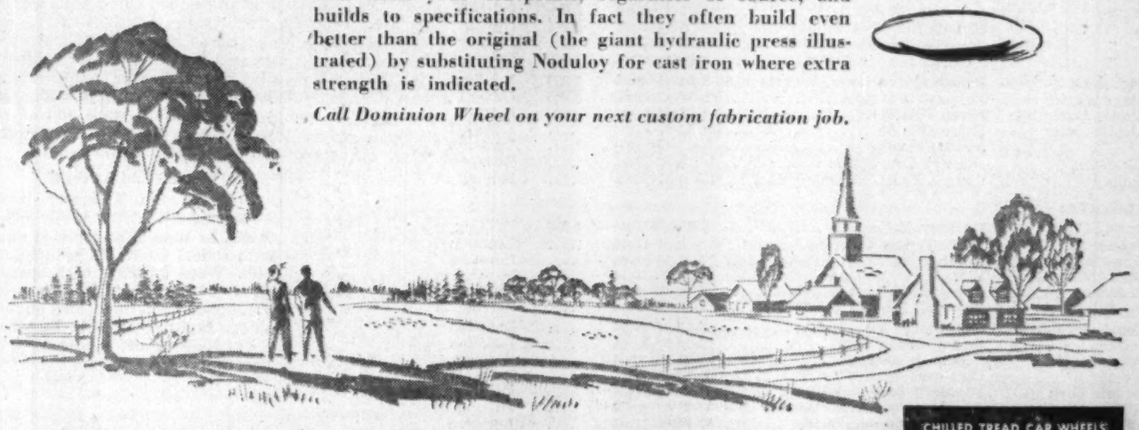

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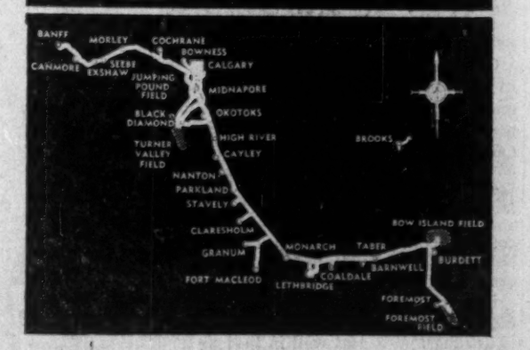
A message of importance from Alberta to Canadian Business



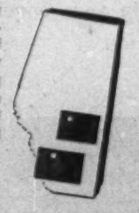
from F. A. BROWNIE president

Canadian Western Natural Gas Company Ltd.
Northwestern Utilities Limited

Alberta's new industrial expansion is proceeding like a chain reaction . . . each successful enterprise sparking the next, in an orderly succession of industrial achievements.

In this accelerated development of primary and secondary industry, another inspiring chapter is being written into the history of our two Natural Gas Companies. Through sound planning we have geared ourselves for greater advancements by connecting vast reserves of Natural Gas with a contingent program of Pipeline construction.

We know the Natural Gas picture in Alberta . . . we have to. We maintain the closest possible co-operation with investment capital and maintain a staff of engineers who are able and ready to offer technical detail on every power or heating problem related to industry. We invite you to know us better and acquaint yourself with the economic advantages of Natural Gas for your plant in Alberta.



Let's go Forward Together You and
CANADIAN WESTERN NATURAL GAS COMPANY LTD.
NORTHWESTERN UTILITIES LIMITED in Alberta

West's Current Drilling Score

(Continued from page 57)

Area:	Well:	Location:	Depth (Feet)	Remarks:
Edson	H.B. Richfield Oil Corp. Edson 1	10-33-51-19w5	13,510	Testing
Peers	Shell Peers Strat. Test 1	6-21-53-14w5	4,427	Drilling
Rossington	Sinclair R. Kupsch Crown 1	6-20-60- 1w5	....	Location
Sturgeon Lake	Gulf Little Smoky 12	12-27-67-22w5	8,308	Drilling
"	Amerada Crown "AA" 11-26	11-26-69-23w5	....	Location
"	Amerada Crown "Y" F-2-11	12-11-69-25w5	8,545	Production testing
"	Amerada Crown "AB" 3-3	3- 3-70-23w5	....	Rigging
"	Amerada Crown "Z" 22-16	11-16-71-24w5	8,684	Repairing rig
"	Amerada Crown "O" F-31-29	15-29-71-23w5	7,117	Drilling
Little Smoky	South Little Smoky Crown "A" 1	16-11-73-18w5	5,787	Drilling
Dreau	Imperial Dreau 12-11-78-22	12-11-78-22w5	7,827	Abandoned
Lubicon	Phillips Lubicon "A" 1	11- 8-87-14w5	....	Location
Pouce Coupe	Can. N. Pac. S. Pouce Coupe 2	9- 5-78-12w6	3,468	Waiting on orders
"	Can. N. Pac. S. Pouce Coupe 3	6-11-78-13w6	2,830	Drilling
Dunvegan	H.B. Union Texaco Dunvegan 2	7-21-80- 6w6	2,886	Drilling
Pouce Coupe	Pacific Royalite Pouce Coupe 1	7-20-80-12w6	4,330	Gaswell
"	Pac. Can. Atlan. Pouce Coupe 1	6-21-80-12w6	604	Drilling
Pingel Creek	Pacific Atlantic Pingel Creek 2	5-26-81-18w6	8,071	Gaswell
Fort St. John	Pacific Fort St. John 33	4-36-82-16w6	6,577	Working on stuck drillpipe
"	Pacific Fort St. John 34	13-23-82-18w6	3,887	Gaswell
"	Pacific Fort St. John 23	3-29-83-18w6	8,944	Repairing
"	Pacific Fort St. John 29	16-17-85-19w6	5,844	Working on pump
Buick Creek	Buick Creek 3	10-14-111- w6	4,124	Abandoned
Buckinghorse	Dome et al Stan. Buckinghorse 1	unsurveyed	10,494	Abandoned
Nig Creek	Nig Creek 1	unsurveyed	9,229	Drilling
Gundy Creek	Gulf States Fargo Gundy Creek 2	unsurveyed	4,430	Working on stuck drillpipe
Blueberry Mtn.	J. B. White Nom. Sun Blueberry 3	unsurveyed	3,135	Drilling
.....	Siloam 1	14- 2-11-ECM	768	No recent report
.....	Out West Oils Ltd. 1	13-39-10-FCM	2[illegible]	No recent report

Latest New Locations

MANITOBA:				
Virden	Can. Superior Thompson 16-32	16-32- 9-28w1	314	Repairing
"	B.A. Union Grose 13-27	13-27-10-26w1	1,541	Drilling
SASKATCHEWAN:				
Minard	Shell Minard A-16-4	16- 4- 5- 7w2	....	Location
Midale	Shell Midale B-9-20	9-20- 6-10w2	....	Location
White Bear	Tide Water Ajax White Bear 2	4- 3-10- 2w2	....	Location
Wapella(N)	Imperial Wapella N5-3-15-1	5- 3-15- 1w2	....	Location
Beverley	Tide Water Beverley Crown 1-25	1-25-15-15w2	310	Standing
Disley	Socony Sohio Disley 1	15-12-20-23w2	715	Drilling
Leon Lake	Tide Water Leon Lk. Crown 3-15	3-15- 8-19w3	....	Location
Gull Lake	Gridoil Gull Lake 15-23A	15-23-13-19w3	315	Drilling
Success	Soc. Wood. South. Success 3-7	7- 3-17-16w3	....	Moving in
Smiley	Imperial Smiley 7-1V	7- 1-31-25w3	2,200	Oilwell
"	Canada Southern Smiley 7-6	7- 6-31-25w3	2,513	Coring
"	Imperial Smiley 9-9-31-25	9- 9-31-25w3	....	Location
"	Imperial Smiley 1-15V	1-15-31-25w3	2,320	Coring
Saskatoon	Potash Co. of Amer. Saskatoon 8	5-34-35- 2w4	1,150	Drilling
Lloydminster	Fargo Oils 81	2-28-47-27w3	1,966	Oilwell
Lloydminster	Fargo Oils 82	7-28-47-27w3	800	Drilling
Lloydminster	Fargo Oils 83	7-28-47-27w3	....	Location
"	Marion Marlea 16	2- 3-49-27w3	....	Location
Clearsite	Amurex Can. South. Good 1-11	11-24-13-30w3	....	Location
Smiley	Canada Southern Smiley 13-4	13- 4-31-25w3	....	Moving in
ALBERTA:				
Spring Coulee	Regency National 3	9-25- 3-23w4	6,650	Drilling
Cessford	Hudson's Bay Cessford 8-A-15	15- 8-24-12w4	....	Location
Sunnynook	Amurex Ang. Can. S'nynook 18-7	7- 2-26-13w4	....	Location
Drumheller(W)	Hudson's B. W. Drumheller 26A14	14-26-29-21w4	....	Moving in
Provost	Imperial Provost 6-22-36-2	6-22-36- 2w4	....	Location
"	Imperial Provost 6-6-36-5	6- 6-36- 5w4	....	Moving in
Caprona-Fenn	Gulf James 3	3-11-36-20w4	....	Location
Joffre	Selbay Joffre 13-20	13-20-38-25w4	....	Location
Wainwright	Saguenay American North. 7B13	13-27-45- 6w4	....	Rigging
Westerose	Gulf Carl 4	4-34-45-28w4	....	Location
Bonnie Glen	Texaco Pigeon Lake 5-25	5-25-46-28w4	1,044	Drilling
Armena-Cam.	Anglo Home C&E Camrose 16-8	8-16-47-20w4	....	Moving in
"	Imperial Armena 7-14V	7-14-48-21w4	....	Location
"	Bay Welda 15	15-28-48-21w4	2,519	Drilling
Wizard Lake	Texaco Wizard Lake CPR G-13	1- 9-48-27w4	....	Prep. loc.
Armena-Cam.	Imp. Gulf H.B. Hay Lakes 5-9V	5- 9-49-21w4	....	Location
Joseph Lake	Imp. Gulf H.B. Hay Lakes 4-29V	4-29-49-21w4	....	Location
Leduc-Wood.	Anglo South Leduc Woodbend 3-2	2- 3-51-26w4	....	Moving in
Ft. Sask.	Mid Western North Ft. Sask. 6-30	6-30-55-22w4	....	Location
Sturgeon Lake	Amerada Crown "O" F-9-31	9-31-71-23w5	....	Location
Grantham	Texaco Grantham A-1	2-35-13-16w4	....	Prep. loc.
Joffre	Can. Superior Morton 16-19	16-19-38-25w4	....	Location
Falun	Cal. Stand. South Falun 14-11	14-11-45-27w4	630	Drilling
Armena-Cam.	Imp. Gulf H.B. Hay Lakes 9-8V	9- 8-49-21w4	....	Location
Acheson-S.P.	Cal. Stand. Welbourne 3-3	3- 3-53-26w4	....	Rigging
Alpen	Anglo Triad Alpen 33-10	10-33-62-21w4	....	Location

The Big Stakes In Repressuring Redwater Field

A billion dollar question is proposed "unitization" of Canada's leading Redwater oil field. This will have an important bearing on ultimate recovery from Canada's biggest single oil asset.

The unitization proposal calls for repressuring the big Redwater oil reservoir by water injection—pumping water down wells to keep pressure above the dangerous "bubble point" to assure the greatest economic advantage to industry and country.

Among benefits likely to accrue to the more than two dozen operators in this huge D 3 Devonian oil field are:

Ability to produce larger quantities of oil—and secure a faster return on investment.

Ultimate recovery perhaps as much as 20% more with a higher gross return.

Redwater contains approximately 620 million bbls. of oil based on usual assumption of 50% recovery. If 60% of oil in place is recovered with water injection, rather than 50%, an additional $150 millions of oil would be made available, ignoring the secondary recovery possibilities—and the oil would also be won more quickly.

If water injection is not carried out—and the Alberta Government is naturally interested in seeing that it is—then current allowable production rates might have to be slashed as much as 50%. At the present time the per well allowable for Redwater producers is 100 bbls. daily with exception of a few individual wells and other wells which are part of the pressure operation scheme.

Whole Field As Unit

Unitizing the Redwater field would mean that the whole field would be treated as a single unit with a field allowable production rate. When unitized, each operator would be given its share of production from the pooled oil, on a basis that has yet to be decided.

Unitization of Redwater is understood to have been agreed by all operators in the field but the difficulty has been lack of agreement on the actual unitization plan. Individual producing organizations may be affected very differently under the plan, depending in part whether or not they are fringe well operators or higher up on structure. This is the big point preventing a quick decision on implementing the plan.

The urgency of unitization is well appreciated and over $1 million has already been spent on pipe and other equipment for such a program. A return of salt water to formation now proceeding, of course, is already doing something to assist in maintaining pressure.

However, initial bottom hole pressure had decreased from 1,050 lb. per sq. in. to around 785 lb. by last fall. Bubble point might be around 500 lb.—and that in the lowest pressure part of the field. Bottom hole pressures mentioned above are weighted averages.

The Redwater producers' committee has considered a number of unitization plans. The petroleum engineering firm of Keplinger and Wanemacher of Tulsa, Oklahoma, last July submitted a recommendation for unitization at the request of the committee.

Two Stages Recommended

The Tulsa firm recommended two stages in determining percentage of oil that would go to individual well owners:

1. Until 50 million bbls. of oil are produced each producer would share in that production on the basis of the number of wells that it owns.

2. After sale of 50 million bbls. of oil by the unit, the participation in production should be based 75% on the thickness of D3 pay zone at individual wells and 25% on the proportion that the adjusted well factor of producing well bears to the total adjusted well factors of all wells (in other words ability of the well to produce).

The Keplinger - Wanemacher report proposed that unitization be made effective Jan. 1, 1954. However, no start can be made until all operators are in full agreement. Thus, if 80% of operators were in agreement, the 20% remaining might hold up the entire essential program.

Barring lack of agreement, of course, the Alberta Government could pass a law, or introduce regulations, making unitization compulsory. But, actually the government authorities would like to see the industry reach a basis for unitization which would be agreeable both to itself and to the Petroleum & Natural Gas Conservation Board.

Many Factors

The Keplinger and Wanemacher firm was retained to make an independent report. But petroleum reservoir engineers have to consider a great variety of factors including variation in porosity from one sector of the field to another. All formulas, of course, will have to recognize the fact that organizations producing from a thick pay zone in the field are entitled to a relatively greater part of the oil reserves than operators of fringe wells which may be shortly flooded by water irrespective of any repressuring program.

Flooding will naturally affect fringe wells first, as water level rises, and some compensation would naturally be expected by fringe operators for loss of production which would otherwise be secured.

Among the many factors which oil companies must weigh in considering unitization are these:

—What rate of interest should be considered in discounting future production revenues?

—What is the variation in the price of crude oil likely to be over the life of the Redwater field?

—How great will be the increase in ultimate recovery through water pressurization?

Views on such subjects can naturally vary widely. But there appears to be little doubt that a repressuring program on which all agree will be carried out. The only question is when. And the time and effort already invested in seeking answers to this very complex question suggest that an effective program will not likely be long delayed.

Alberta Has Secure Hold on Oil Crown

(Continued from page 57)

More oil will be used right in Western Canada, it's expected, but on the west coast the really big markets have been somewhat delayed. A 50% drop in world tanker rates has removed the California market for the time being at least, as too great a slash in the price of crude would be required to tap this market.

The B. C. market is available but tapping the Pacific Northwest market on the scale expected awaits the completion of the large new refining facilities being constructed there.

Petrochemical industries emerging in Alberta are now aiding increased productivity of the oil industry. And when export markets emerge for natural gas shortly, Alberta producers will find their investment in drilled wells becoming increasingly liquid.

While the stock markets have been taking rather a dim view of the Alberta oil scene lately, the operational picture seems to leave little "room for gloom."

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Company Surveys

Liberal Pete.

A 14% carried interest is held by Liberal Petroleums in 100,000 acres just 1½ miles south of the most southerly Devonian D3 zone oil success of Amerada Petroleum Co. in the Sturgeon Lake area of Northwest Alberta. The tract has been farmed out to Hudson's Bay Oil & Gas Co. for exploration, as well as a further 100,000 acres in the Grande Prairie district about 30 miles southwest of the Sturgeon Lake discovery well. Liberal's interest here is one third.

The company derives income from its stake in two oil producers at Leduc and several in the Lloydminster and Lone Rock heavy oil fields. A 30% interest is also held in heavy oil and potash deposits on a 75,000-acre permit at Palo, Sask., under exploration. Other land holdings include 30% in 11,000 acres in the Speers area and a 320 acre farmout at Cando, Sask., 6¼% gross royalty in 20,000 acres at Mahaska and 50% in 80,000 acres at St. Paul, Alta., and 2½% gross royalty in two permits covering 100,000 acres about 10 to 15 miles from oil and gas wells in the Fort St. John area of Northwestern B. C.

Devon-Leduc

An active exploration program is being carried on in various areas of Texas by Devon-Leduc Oils Ltd., through a wholly-owned subsidiary. The most promising area appears to be 1,700 acres in which the company has 50% interest in the new Bender field in Montgomery County.

Devon-Leduc's first driller here found light oil in a 25-ft. pay zone just below the 6,000 ft. horizon, as well as two wet gas sands at higher levels. Experts state that eventually the field could spread over 5,000 acres, making it the largest found on the Gulf of Texas for some time.

Elsewhere in the U.S., the company owns seven oil producers in three areas in Texas, one well in Louisiana and one in Oklahoma. The latter well produces some oil but is regarded as a poor completion and the acreage is still thought to be highly potential oil land. In the Williston Basin area of Montana 43,000 acres held by Devon-Leduc are believed to be well located.

In Alberta the company has varied interests in eight oil wells at Stony Plain, five at Joseph Lake, three in the Leduc field and two at Stettler, and in two capped gas wells. Acreage holdings comprise 147,366 acres in Alberta and 57,360 acres in the above mentioned areas of the U.S.

Devon-Leduc's oil reserves are unofficially estimated at 1,766,240 bbls. in Alberta and 1,250,000 bbls. in Texas. This does not include the recent Bender field success. Total income of the company is reported to be between $35,000 and $40,000 monthly.

Westburne Oil

Westburne Oil Co. owns diversified holdings in crude oil, natural gas and related industries through investments in capital stock. The company has no direct interest in oil or gas production and holds no properties.

Investment portfolio at June 30, 1953, showed investments at cost of $4,392,776, with a market value of $3,094,548. Holdings were divided 12.23% cash and government bonds, 5.04% corporation bonds and debentures and 82.73% common shares. All common stocks were, with one exception, those of oil and gas producing and development companies.

Gross income for the six months ended June 30, 1953, amounted to $34,157 compared with $54,477 for the period May 8, 1951-Dec. 31, 1952. Net profit for the six months of 1953 was $13,654 as against a net loss of $13,543 for the preceding period.

Davison Oils

Chief activity of Davison Oils Ltd. since it was formed last December has been participating in the development of the Hamilton Lake field of Alberta. The company holds interests ranging from 12½% to 45% in a number of farmout properties on which about nine oil wells have been completed in the Viking sand. Several other wells were unsuccessful.

With Calvan Consolidated and Merrill Petroleums, the company is drilling a deep test well in the Homeglen area, and has a 10% share in one oil producer at Erskine. A working interest of 20% is also held in a secondary recovery program being carried out by a group of Canadian companies on approximately 6,395 acres in 11 areas of Illinois, one area of Indiana and one in Oklahoma.

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Gas Production, Consumption Up; Boom On The Way

To Canadians in many sections of the country, the idea of natural gas is associated with a confusing welter of claims and counter-claims about west-east versus north-south distribution, about politics versus economics, about Navigable Waters and Transport Commissioners.

But while many Canadians think of natural gas as a desirable but remote source of energy, to be enjoyed at some vague date in the future, their neighbors in certain other sections of the country know it as a well-established public utility. For them, it is a clean, efficient and inexpensive fuel.

Industrial users say they like its high, steady burning temperature, its low price. Home owners are pleased by its lack of dirt and dust, its speed in cooking.

That's why — regardless of the ultimate outcome of the distribution wrangle—natural gas is shaping up as one of Canada's prime growth industries. Whatever the features you look for in a growing industry—a cheap product, a widespread and rising demand, relative immunity to labor disputes and to business letdowns — natural gas has them. Even the effect of a substantial increase in raw material costs at the wellhead would be much diluted by the time it reached the consumer, since distribution costs represent a much greater proportion of the ultimate price of delivered gas than do production or transmission costs.

Exceptionally mild weather across Canada last winter, and so far this winter, has meant that the increase in demand for gas has been less than it would otherwise have been. At latest report, production of natural gas in Canada this year was 3.3% greater than in 1953; up to the same date last year, production was running 22.7% higher than in 1951.

But the temporary slowdown in the swing to gas isn't worrying the industry. Last year's profits, in most cases, were at or near the highest level in history. If the next few months turn out to be a typical Canadian winter, more Canadians will use gas than ever before.

Consumers' Gas Co.

Consumers' Gas Co. of Toronto manufactures and distributes gas in Toronto and surrounding municipalities under a provincial franchise without time limit.

Gas output in the year ended Sept. 30 was 8,412,268,000 cu. f., a decline of 4.6% from the previous year, major factor being milder weather. Revenue from gas sales, however, was $13,280,832 ($12,410,812 the previous year), while sales of coke and tar were up $199,587 and sales of domestic appliances and merchandise rose $43,028.

Operating expenses were down $349,702. Additions to physical properties totaled $388,335, almost entirely confined to improvement of the distribution system. New mains and services accounted for $246,867 of the total plant additions for the year.

An increase of $670,851 in taxes offset the decrease in operating expenses, said President A. L. Bishop. Payrolls totaled $4.1 millions in latest fiscal year.

Net profit of $2,933,922 for the year ended Sept. 30 last was 38.7% higher than previous fiscal year's net of $2,115, 604.

Consumers' Gas Co. is awaiting an Ottawa decision on its application for permission to import Texas-Louisiana natural gas by means of pipeline across the Niagara River. Company owns 65% of the stock of Niagara Gas Transmission Co., the proposed instrument for transmission of the gas in Canada from the Niagara frontier to the Toronto area.

To facilitate conversion of customers' equipment to natural gas and to provide further protection in emergencies, plans to sectionalize the distribution system by installation of control valves at strategic locations have been approved.

Capitalization outstanding at Sept. 30, 1953, included $4.2 millions 3¾% sinking fund debentures, due 1968; $4.68 millions 4% sinking fund debentures, due 1971; and 1,455,520 par $10 shares. General reserve fund stood at $2,971,635, and plant and buildings renewal fund amounted to $9,869,605.

Union Gas Co.

Union Gas Co. of Canada, Chatham, Ont., is engaged directly and through subsidiaries in the production, purchase, storage, transmission and distribution of natural and manufactured gas in southwestern Ontario. It owns over 99% of the outstanding common shares of United Fuel Investments Ltd.

Company at June 30 last had 10 producing gas fields containing 321 producing wells, one of which was brought in during the current year.

Company owns and operates 155 miles of field gathering lines, 506 miles of transmission lines, 798 miles of urban distribution lines and 188 miles of rural distribution lines. Number of meters on company lines at May 31 was 81,479, a gain of 3,346 on the year.

Total volume of gas sales in the year ended March 31, 1953, was 8.5 billion cu. ft. (8.2 billion the year before), with average consumption of 72.1 (68.2) mcf per residential meter. Volume of sales for industrial purposes was 16.5% higher, while sales to other gas distributing companies at wholesale were down 37.5%.

Gross revenues were $9,413,350 ($8,900,990). Total costs before income taxes were $6,590,895 ($6,638,250). Consolidated net profit of $1,573,455 or $2.33 a share was 40.1% higher than previous fiscal year's net of $1,122,740 or $1.59 per share. Dividends of 25c per share were paid quarterly up to and including May 1, 1953; two quarterly dividends of 35c each have been paid since then.

A 150% higher volume of appliance sales resulted in an increase of $78,468 in other income, which totaled $237,428 for the year ended March 31, 1953.

Major item among capital expenditures of $1,854,111 was construction of a 40-mile pipeline to complete duplication of facilities from Dawn underground storage station to London.

Union Gas signed a contract with Imperial Oil late last year to purchase 4.3 billion cu. ft. in current fiscal year, and 4.8 billion cu. ft. annually from April 1, 1954.

Reserves controlled by the company, or available for contracting, totaled 152 billion cu. ft. at the beginning of 1953. This has permitted company to serve only natural gas, and no purchases of manufactured auxiliary gas have had to be made since March, 1952.

Union Gas recently was granted an Ontario charter to incorporate a storage and transmission company, which would be able to offer storage and transmission service to whatever firm is granted a permit to bring gas from the Alberta fields to Eastern Canada.

Capitalization outstanding at March 31, 1953, included $8 millions of an authorized $10 millions 4¾% first mortgage and collateral trust sinking fund bonds, series A, due 1968, and 706,199 n.p.v. capital shares. Surplus stood at $7,387,437.

Northwest. Utilities

Northwestern Utilities, Edmonton, distributes natural gas to Edmonton and 23 other communities in central Alberta. Gas is produced principally from company wells in the Viking and Kinsella gas fields, and distributed through its own system of pipelines.

Direct control of Northwestern Utilities, Canada's second largest gas producing company, is held by International Utilities Corp.

Producing area of the Viking-Kinsella field is 300,000 acres, and at Dec. 31 last was estimated to contain 556 billion cu. ft. of recoverable gas. Company operates 88 producing wells in this field, of which it owns 83. It also owns nine wells not connected to the system.

Reserves of gas over which the company has control are still inadequate for the long term, said President F. A. Brownie earlier this year. The longrange reserve situation will be improved if company can take gas from the substantial reserves in the Edmonton area which are not connected to any market.

Capital expenditures for 1953 were estimated to exceed $4 millions, including provision for a pipeline to connect wells in the Bremner-East Saskatchewan-Legal area to company's main transmission system. Last year's gross capital expenditures totaled $3.5 millions.

Gross revenue for 1952 was $6,425,622, compared with $5,471,299 in 1951. Net profit of $1,176,106 last year was 4.6% lower than previous year's net of $1,232,884, because of continuing rise in operating costs, including the cost of purchasing oil field gas. Earnings were equivalent to $29.40 ($30.82 in 1951) per 4% preferred share, par $100.

Reduction in gas sales from 24,002,000 mcf in 1951 to 23,916,000 in 1952 is accounted for by higher average temperatures prevailing in 1952. During the year, 3,800 customers were added to bring the total to over 50,000 at the beginning of this year.

Alta Consol. Gas

Alberta Consolidated Gas Utilities, Edmonton, is a holding company with seven wholly owned subsidiaries in Alberta and one in British Columbia distributing natural gas; another subsidiary in Yellowknife, N.W.T., distributing hydro-electric power; and a Vancouver subsidiary distributing liquid propane gas in British Columbia. The Alberta subsidiaries are located at Athabasca, Barrhead, Westlock, Morinville, Calmar, Leduc and St. Paul, while the British Columbia natural gas subsidiary is at Fort St. John, 500 miles northwest of Edmonton.

Consolidated net profit of the parent company and its natural gas and power subsidiaries in 1952 was $60,185 ($42,085 in 1951). Revenue from gas and power sales totaled $377,369.

Bottled Gas Ltd., Vancouver, was bought as a going concern on Jan. 31 last. This subsidiary, with head office in Vancouver and branches in Victoria and Nanaimo, is the province's largest liquid propane gas distributor.

Capitalization outstanding on Jan. 1, 1953, included $640,000 20-year 5½% first mortgage sinking fund bonds; $127,500 5% first mortgage sinking fund bonds of St. Paul Utilities Ltd., due 1960; $44,896 5% first mortgage sinking fund bonds of Athabasca Utilities Ltd., due 1957; and 598,540 n.p.v. capital shares.

Peace Riv. Nat. Gas

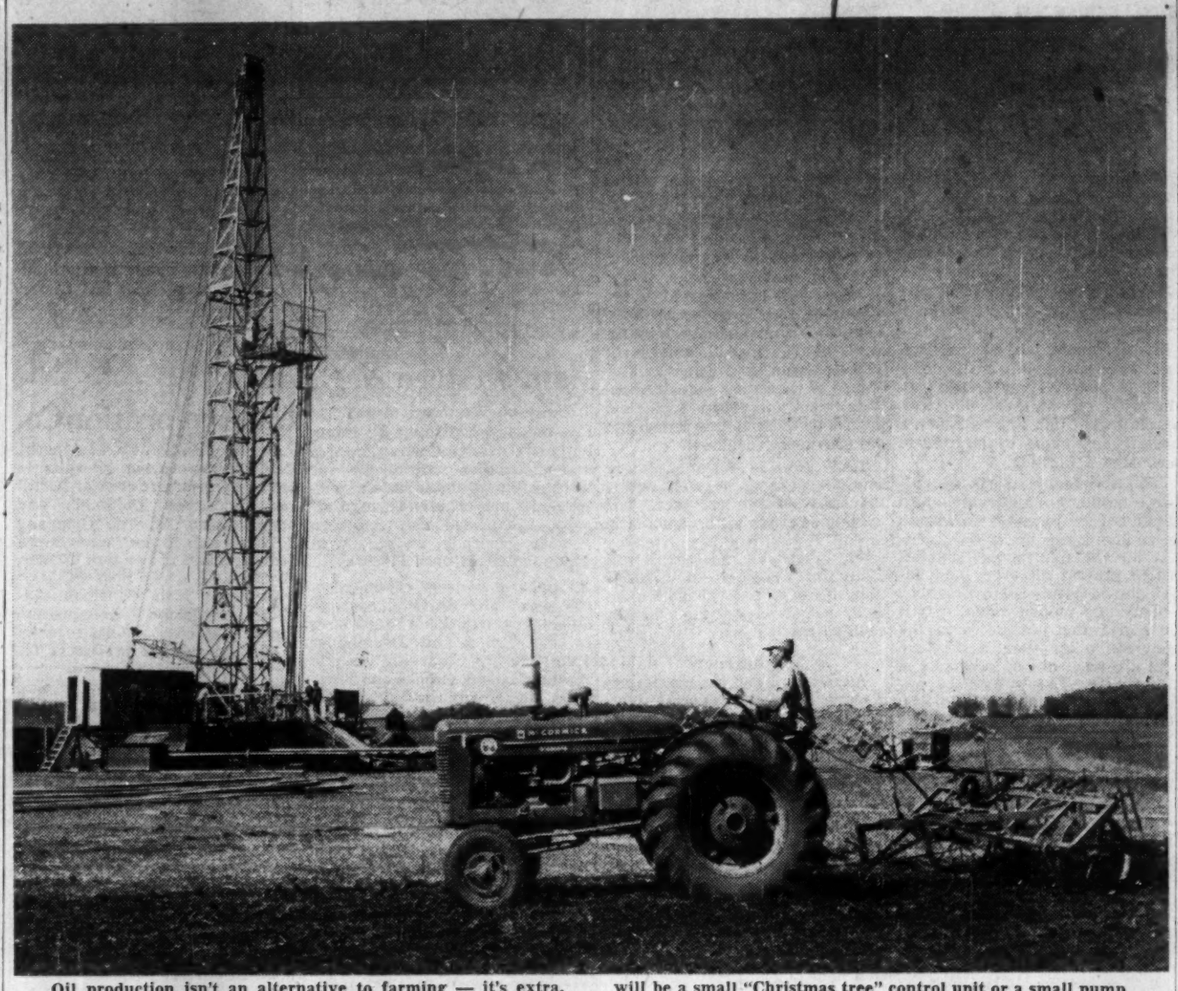
Peace River Natural Gas Co., Calgary, held interests in 2,571,302 gross acres at Feb. 28, 1953. To June 1, 1953, 17 wet gas wells had been completed in the Fort St. John area, with open flow potentials up to 52 million cu. ft. daily, said President Frank McMahon.

In Pouce Coupe, Alta., area, company completed seven gas wells of which two were connected in late 1950 to a gas pipeline to Dawson Creek, B.C. Further developments are contemplated on company's holdings southeast of Pouce Coupe.

Authorized capitalization was increased from 3 million to 5 mil-

(Continued on page 60)

Western Canada Gets Production From Two Levels



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WITH major interests in THREE proven natural gas fields Sweet Grass Oils Limited has already established impressive reserves of natural gas, and has tremendous additional potential indicated in many well sites available for drilling. The prospects for national markets opened by the proposed Trans-Canada pipeline — and other arrangements for local markets now being negotiated by the Company — emphasize the growing importance of Sweet Grass in Western Canada's natural gas developments.

KESSLER NATURAL GAS AREA. In this field Sweet Grass holds interests varying from 18¾ to 50% of the net after royalties in **56,000 acres**. The first well drilled here, in which the Sweet Grass interest is 50%, has an indicated potential of **67,000,000 cubic feet daily.** Two other gas wells, in which the Company's interest is 18¾%, have been brought in, respectively 4½ miles and a further 5½ miles to the N.W., indicating **a new gas field almost 10 miles in extent.**

Negotiations are in process directed to providing a local market that could take all the natural gas the Company could expect to provide through further drilling in this field.

PRINCESS NATURAL GAS AREA. In this field Sweet Grass holds varying interests in more than **10,000 acres,** including 50% of the net after royalties in the discovery well which has an indicated potential of **17,000,000 cubic feet of gas, daily.**

STEVEVILLE GAS and OIL AREA. In this field Sweet Grass holds interests varying from 18¾% to 100% of the net after royalties in about **60,000 acres** of potential gas and/or oil lands. Four wells are completed as gas wells and one as an indicated oil producer, on this acreage.

SWEET GRASS INTEREST in the natural gas reserves, so far calculated in **only two** of these wells, is estimated at **33,100,000,000 cubic feet of gas.**

Both the Princess and Steveville gas fields, referred to above, are close to the western terminus of the proposed route for the cross-continent natural gas pipeline.

INTERESTS IN OVER 1,000,000 ACRES

Besides varying interests in 8 gas wells, capped awaiting markets — 4 producing oil wells and two standing oil wells, Sweet Grass holds varying interests in a total of more than ONE MILLION acres of potential oil or gas lands located in more than 20 fields in Alberta, British Columbia, Saskatchewan and Ontario, in Canada, and Texas and Montana, in the U.S.A.

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OIL-BACKED BOOM

New 'Harvests' In The Wheat Province

Oil, Gas Have Broad Impact On Saskatchewan Economy

The spectacular petroleum and natural gas boom is bringing to the agricultural province of Saskatchewan the promise of new and greater diversification of its economic structure.

Saskatchewan, for many decades overwhelmingly dependent upon the production, processing and sale of agricultural products for its livelihood, is entering a new phase of development in the extractive and manufacturing industries.

The discovery and development of the province's oil and natural gas reserves in recent years has already made a modest but significant impact.

In 1953, the increasing capacity of the province, the steadily rising volumes of oil and natural gas production, and the attendant swelling of provincial incomes, all point to an intensification of the effects of the oil boom on the economy of the province in the next few years.

The development of Saskatchewan petroleum resources, involving the expenditure of substantial sums of risk capital, has been the primary basis of the present oil investment boom in the province.

To date, about $160 millions has been spent in the discovery and drilling of oil and natural gas fields in Saskatchewan. Annual expenditures have been rising steadily every year since the late 1940's to an estimated $60 millions in 1953 alone.

This has brought new sources of income to the province's labor force, to its scientific personnel and to a considerable number of commercial enterprises—the suppliers and distributors of heavy machinery, technical equipment and retail consumer goods—engaged in servicing the widespread oil and gas development program.

Important Trends

Although it is yet too early to predict the extent to which these initial development investments may lead to capital expenditures in other sectors of the provincial economy which are related to, and dependent upon, the crude oil producing industry, there are important trends already in evidence.

When current expansion programs for refineries at Regina, Saskatoon and in the Coleville area are completed, crude oil refining capacity in Saskatchewan will rise 25% over the present levels to a high of 65,000 bbls per day in 1954.

Hand in hand will come new employment possibilities to the people of those cities and towns to lend greater diversification to urban economies which are still largely dominated by industries serving the surrounding agricultural communities.

Not the least important of the effects of the present investment boom on the provincial economy was brought about by the construction and completion of the Interprovincial crude oil pipeline running from Alberta through Saskatchewan to Eastern Canada.

Construction of the proposed interprovincial pipeline for the exportation of western natural gas to the East—regardless of whether the line is finally pushed through via an all-Canadian route—again will add millions of construction dollars to Saskatchewan payrolls, and provide a large market for Saskatchewan gas.

Opening of the 101-mile pipeline from the Brock natural gas field to Saskatoon, Rosetown and Delisle in October of this year guarantees a market of some significance to the producers of gas, as well as a source of cheap fuel to industrial and domestic gas consumers of those communities.

The latter can be expected to give new impetus to an industrial expansion in Saskatoon.

Thus, the province's economy has been getting a shot in the arm from the huge capital expenditures which have been made in initial oil and natural gas development, in the expansion of refinery capacities, and in the gradual building up of pipeline distribution systems both inside and outside the province.

Marketing The Key

These, however, are merely the original investments which are necessary before any more significant development can take place. The most important aspect of the current boom for Saskatchewan must still be the establishment of markets for its oil and natural gas.

This step is essential if development is to continue at an accelerated pace, and if the petroleum and its products are to make any large and permanent impact on the provincial economy.

For the present, it is perhaps true to say that demand within the province itself is sufficient to absorb the major part of the oil and natural gas being produced in Saskatchewan, and to this extent the production of oil and gas has already become an important permanent segment of the provincial economy.

In the future, too, cheaper fuel and lubricating oils will be a boon to almost every industry in the province, and especially to an agricultural industry which is heavily dominated by large-scale mechanized farming.

Yet, the predominantly agricultural economy of Saskatchewan could not be expected to absorb more than a fraction of the potential oil and natural gas supplies which present discovery and development trends are indicating.

Only to a limited extent may it be hoped that industries in the province other than agriculture will use what can be produced in the future. The large-scale exportation of petroleum from Saskatchewan is therefore essential.

No Major Difficulty

There will perhaps be no major difficulty, for a few short years at least, in finding markets for Western crude oil and natural gas in Eastern Canada sufficient to absorb all the surpluses of the Prairie Provinces.

The Federal Government appears to be firm in its all-Canada policy for Western fuels until Canadian needs, present and foreseen, have been fully provided for. The greater difficulty—as it is seen through Western eyes—may lie in securing reasonable returns for crude oils and more especially natural gas, which are sold to Eastern consumers and at Eastern prices from which must be deducted a high per-unit cost of transportation through interprovincial pipelines.

The price that producers receive for their products will be one of the major factors in determining the extent of the impact which oil and gas are to have on the future economy of Saskatchewan.

The conclusion to be drawn from the current oil and gas situation in Saskatchewan is that it holds out the promise of spectacular developments for the years to come, and that the changes which have been effected up to the present in the province's economy are the result almost entirely and solely of the initial investment boom.

Before the impact of oil and gas on the province can be said to be significant in anything more than a modest way, much larger developments must take place (as they have done in the sister province of Alberta), large markets must be established outside of Saskatchewan, and some greater degree of secondary industrialization based on cheap fuels and lubricants must be integrated into the provincial economy.

That promise for the future would appear to be well within the reach of the province. The volume of crude oil production in Saskatchewan has been steadily rising every year. In 1953, it will likely hit the level of 2,700,000 bbls. Natural gas production, as well, has been on the increase each successive year.

Tax Revenues

Already, oil and gas monies are flowing into the provincial treasury in increasing amounts annually, and for the fiscal year 1953-54 Provincial Government revenues from regular mineral taxation, from special mineral tax arrears on railway and other properties, and from the sale of certain Crown reserves, are likely to approach $4.4 millions.

Since the late 1940's, the economy of Saskatchewan received new life because millions of developmental and construction dollars have been spent on her oil and natural gas resources.

Her industries will now benefit from a cheap and plentiful supply of those resources close at hand, and indeed the beneficial effects of these changes are not inconsiderable within the scope of the provincial economy.

Yet the really significant impact of oil and gas is not in the present, but can only be in the future when production has increased many-fold in response to market demands emanating from far beyond the borders of Saskatchewan.

The basis of such a prospect is already manifest, and it may not be long before the province's economy will be more diversified and its personal incomes and governmental revenues more stable than would have been imagined possible in this agricultural province a decade ago.

Production Up Now, Gas Boom On Way

(Continued from page 59)

lion common shares, par $1, June 30, 1953. At June 1, Pacific Petroleums held 1,384,650 of the outstanding 2,540,050 shares, including 100,000 shares purchased at $6.46 each in May, 1953.

Company's chief activity in 1953 was continuation of participation in exploring the Fort St. John area of British Columbia.

Cdn. Western N. G.

Canadian Western Natural Gas Co., Calgary, controlled by International Utilities Corp., produces and distributes natural gas for heating, power and industrial purposes. Its market area covers Calgary, Lethbridge and Southern Alberta generally, an area with a population of over 177,000.

Company owns or controls 35,000 acres and participates with others in an additional 25,000 acres in the Taber and Drumheller areas. It owns producing wells in the Bow Island, Brooks and Foremost fields, and has contracted with Madison Natural Gas Co. (subsidiary of Royalite Oil Co.) for the purchase of gas from the Turner Valley oilfield.

Properties include 372 miles of transmission lines and 472 miles of distributing mains in Calgary, Lethbridge and neighboring towns and over 240 miles of private telephone line.

Volume of gas sales and gross revenues in 1952 were at new record levels. Sales were 36,644,000 mcf (26,349,000 mcf in 1951), and would have been about 7% greater had temperatures been normal in both years, said President F. A. Brownie.

Revenue from gas sales increased to $6,319,441 from $6,175,209 in 1951. A new rate schedule which took effect Feb. 28, 1953, will bring company's 1953 and 1954 revenues to a level 10% above what they would have been on previous rates.

Net profit of $576,955 for 1952 was 0.15% higher than 1951 net of $576,083. Earnings were equivalent to $3.84 ($3.83) per preferred share, and $5.71 ($5.69) per ordinary share.

Dividends at the rate of 80c per share per annum on the 4% preferred have been paid regularly each quarter since August, 1947. Ordinary dividends paid were $4.35 per share in 1952 and 1951, and a $2 per share dividend was paid in June, 1953.

It is anticipated that capital additions this year will again exceed $2 millions; last year's capital expenditures amounted to $2,095,000.

Contract for gas from Shell Oil's Jumping Pound field provided for 35 mmcf daily last winter, and has been raised to 50 mmcf per day for the coming winter. Deliveries will be accompanied by a drilling campaign in proven gas areas.

Gas Exploration Co.

Gas Exploration Co. of Alberta, Calgary, has varied interests in natural gas export area of northeastern British Columbia and northwestern Alberta. Company holds acreage in the four western provinces and in Pondera County, Montana.

Together with Canadian Admiral, Long Island Petroleums and Poplar Oils, company has recently completed two oil producers for a total of four in Jones County, Texas.

Company has drilled two large wet gas wells in the Rycroft area of Alberta, the No. 1 well having a potential of 12 million cu. ft. daily, while the No. 2 well is rated at 32.5 million cu. ft. daily. The wells are on a 19,000 acre farmout from Pacific Petroleums; Gas Exploration Co. provides costs for a 37½% interest.

All outstanding options are reported to have been cancelled.

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Consol. Peak

Consolidated Peak Oils acquired all the assets and undertakings of Signet Petroleums Ltd., in July of this year. Consideration for the purchase was the issuance of 667,002 Peak shares to Signet shareholders on the basis of one Peak share for each three Signet shares. Signet had previously been associated with Consolidated Peak in several projects.

The company now holds a stake in 11 oil wells at Leduc and one oil and two gas wells in the Steveville area of Alberta, and in 36 oil and two gas wells at Lloydminster and three oil wells at Eagle Hills, Sask. It also has varying interests in more than 1.3 million acres in Alberta, Saskatchewan, British Columbia and the U. S., and owns four drilling rigs.

Oil reserves were reported at the end of 1952 to be 7,370,000 bbls. at Lloydminster and 136,000 bbls. at Leduc.

National Pete.

Main interest of National Petroleum Corp. lies in its acreage holdings along the Del Bonita-Blood Indian fold in Southern Alberta. Here the company has leases and permits totalling 148,000 acres running about 54 miles northwest from just north of the Alberta-Montana border.

A number of wells drilled by the company and its associates in the area have produced oil from the Madison limestone. However the company considers that none of these have been finally completed and has been testing new completion methods to increase production. The company's most recent venture, National Del Bonita 3, has recovered a small amount of oil on drillstem test from a formation believed to be the Basal Banff section of the Mississippian, at about 6,100 ft.

The company owns two wells and has substantial interests in two more at Turner Valley, and has a large share interest in an affiliate, Northland Oils Ltd. This company owns three wells at Turner Valley and has acreage at Del Bonita and Sullivan Lake.

Consol. Allenbee

Interests in 21 oil producers and four gas wells are held by Consolidated Allenbee Oil & Gas Co. In addition the company has a share in acreage in 17 areas in Alberta, eight in Saskatchewan and in 25,000 acres in the Fraser Valley, B.C.

It also has a substantial shareholding in Ocean City Oil Fields Inc., which has 18,000 acres in Washington State on which are located two oil wells; and has one-third of the issued shares of California Canadian Oil & Gas Co., holding 50% in 3,000 acres in Glendive area of Montana.

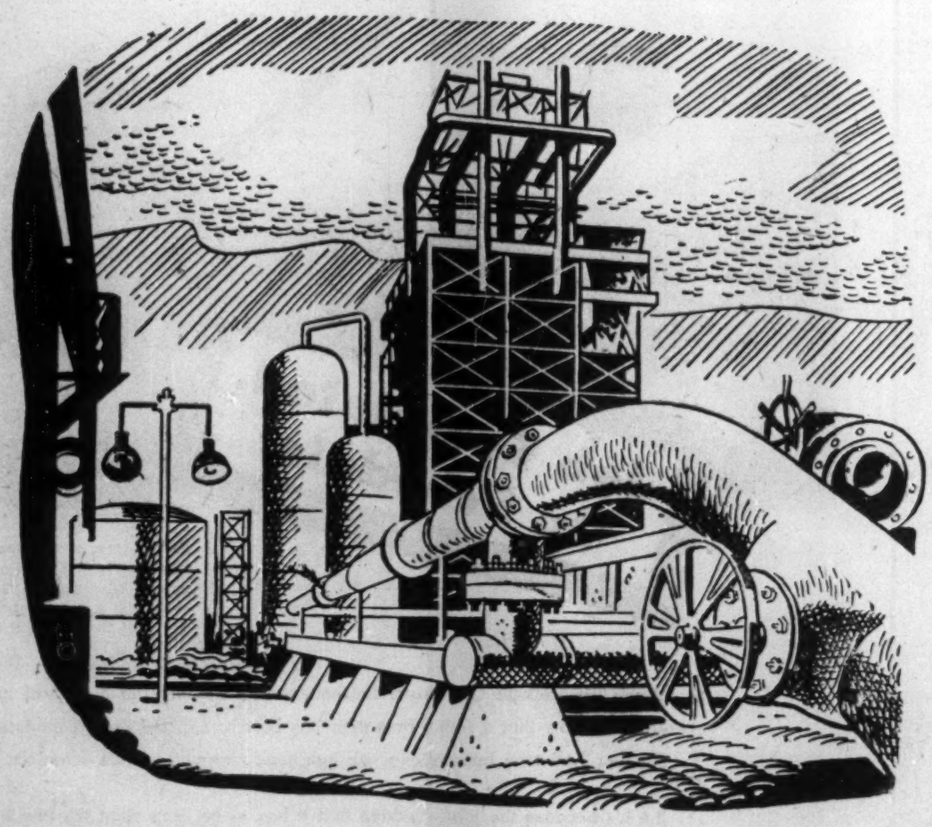
At Leduc the company shares in 15 oil producers as well as in two at Lloydminster. In the Steveville area of Alberta a 20% interest is held in 50,000 acres under development. Three gas wells have been completed and capped while one well struck light oil in the Viking sand. At Eagle Hills, Sask., where the company and its associates made a discovery of black oil in three zones of the Cretaceous in 1952, two oil wells are located.

Consolidated Allenbee's share of recoverable reserves in the Leduc field are estimated at 656,000 bbls. of oil and 760 million cu. ft. of natural gas. At Lloydminster total proven developed, undeveloped and probable reserves of oil are estimated at 545,000 bbls.

The company has outstanding $500,000 convertible 5% debentures due 1960, and 3,852,023 shares are issued out of five million authorized.

Helping **PROGRESS** in **B. C.....**

we have —



- Installed all piping, mechanical equipment, water and fire protection facilities, including roads, at the Burnaby Tank Farm.
- Constructed the appurtenant structures at the Burnaby Tank Farm.
- Carried out the site preparation, construction and installation of all land facilities at the Westridge Marine Terminal.
- Constructed the complete pumping station at Blackpool, B.C.
- Laid the Vedder River Pipeline Crossing.
- Constructed the scraper traps at Blackpool and Sumas, B.C.
- Installed the radio communications facilities at Burnaby and Blackpool, B.C.

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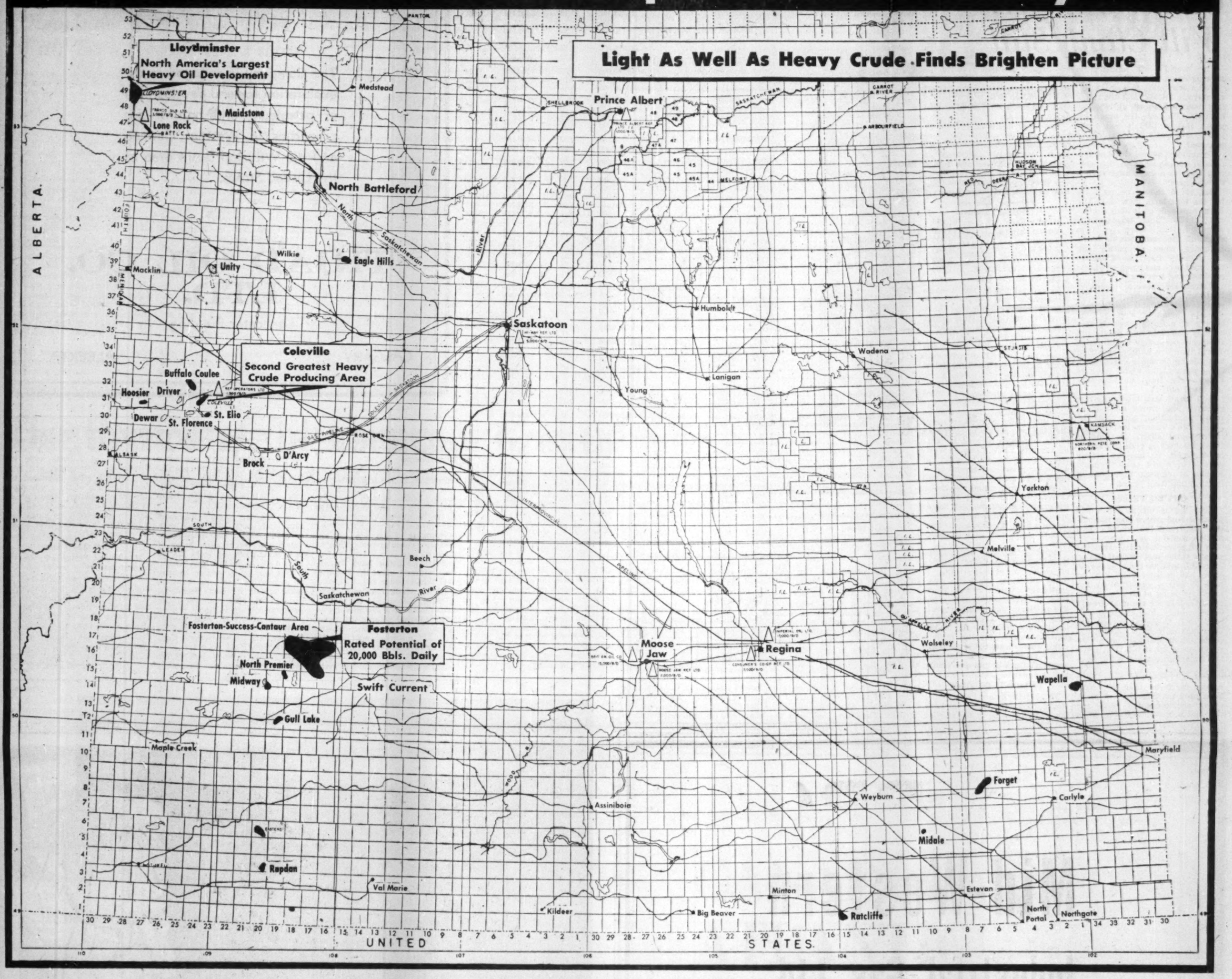

This company presents a well balanced folio of Oil and Gas holdings and interests throughout Western Canada and in the prolific Williston Basin, North Dakota

NEW CONCORD DEVELOPMENT CORPORATION LIMITED

305 Royal Bank Bldg., Toronto, Ontario

Company Surveys

Leduc Calmar

Leduc Calmar Oil Co. holds varying interests in 13 producing oil wells at Leduc and one in the Ellerslie field. Net income from these amounted to $60,858 for the year ended Feb. 28, 1953, a decline of $29,388 from the year previous due to lower selling prices and reduced production allowables.

An 11-hole core drilling program has been completed on the company's 20,000-acre spread in the Hughenden area, and a well will be put down to about 3,200 ft. to test the Devonian formation. Exploration at Oliver Lake has resulted in completion of two gas wells; the company has a 50% stake in the wells and 6,000 acres.

Authorized capital is 5 million shares, of which 4,189,050 shares are issued and outstanding.

Dragon Oils

With other independents Dragon Oil & Gas is carrying on a development program on farmout lands at Hamilton Lake in Alberta. Five oil wells have so far been completed on the 800-acre holding. A stake is also held in five wells at Malmo, one at Armena and three in the Camrose field in Alberta, one at Virden, Manitoba, and one in Texas. Two gas wells are capped awaiting a market while a gasser at Vermilion is on production.

Acreage held by the company, totalling about 1,671,000 acres, includes 1.2 million acres in the Peace River-Cutbank-Latornell Creek district, plus other lands scattered in a number of other areas in Alberta, and 250,000 acres at Kerrobert and 2,240 acres at Maidstone, both in Saskatchewan.

Midcon O. & G.

Midcon Oil & Gas changed its name from Mid Continent Oil & Gas Ltd., in July, 1953. At the same time, shareholders approved a capital reorganization involving reduction in authorized capital from 10 million shares to 2 million and subsequent increase to 5 million shares. The 9 million shares outstanding were exchanged for new stock on the basis of one new share for five old.

The company has 9% interest in eight producing oil wells in the Stony Plain field and 50% in three oil wells at Skaro. In the Etzikom area of Southern Alberta Midcon has a half interest in five capped gas wells, in 7,680 acres of leases and a gas license covering 19,840 acres.

Total proven recoverable oil reserves at Skaro are estimated at 454,400 bbls, on the basis of five wells drilled. The company's share of natural gas reserves at Etzikom is estimated at approximately 60 billion cu. ft.

Lloydminster Gas

Lloydminster Gas Co. owns and operates about 50 miles of pipelines through which it distributes and sells natural gas to more than 1,500 customers in the town of Lloydminster and the villages of Kitscoty and Blackfoot.

The company owns seven gas wells and has a call on gas from 98,000 acres in the area held by affiliated companies. At Dec. 31, 1952, its interests included 20 producing oil wells and 18 gas wells of which 11 were producing.

Dividends have been paid by the company each year since 1933; in 1950-52 four cents a share was paid each year. Net profit for the fiscal year ended June 30, 1952, was $34,861 compared with $29,248 the year previous.

SOUND MANAGEMENT PROMOTES GROWTH

In twelve months Canadian Decalta Gas and Oils Limited has seen . . . its reserves of oil trebled . . . its revenue trebled.

The company took an interest in twelve wells. Eleven of those wells have proved themselves to be profitable producers.

These results confirm the company's avowed belief that oil ventures must be based on sound management, sound technical skills and financial responsibility.

CANADIAN DECALTA GAS & OILS LIMITED

HAIL INSURANCE BUILDING CALGARY, ALBERTA

World Oil Supply Gains, But Needs Will Climb Still

The world's oil industry is slowing down to a gallop.

For a few years it was leaving all records behind, and consumption bounded ahead at rates as high as 12% over the preceding years. But in 1952 it was down to 5%, and won't be much higher this year.

Temporary overproduction is a natural consequence of this getting back to normal after such a merry chase.

But there should be no fears for the long-term view, says Ole Berg, president of British American Oil Co. "Such fears can be dispelled—first, when we take stock of the total world needs. Secondly, when we notice how the industry itself is adding to the number and range of its products and services."

There are several features, however, which currently put supply and demand into a very delicate balance. Postwar recovery of many markets is reasonably complete and caught up. Refinery expansion begun after World War II is now in operation and adding to world inventories. Some parts of the world (such as Kuwait and Iraq) have greatly increased outputs.

Add to all this, the impending re-entry into world markets of Iran's production, now that Mr. Mossadegh's tears no longer affect international affairs. So long as Iran's re-entry is gradual—and it is expected to be—the steady growth in world crude demand should be enough to absorb it without upsetting prices.

Oil's Big Picture

How big is oil in the world picture? And where does the output go from the world's half million wells?

In 20 years the oil market has grown three and a half times, from 3.7 million bbls. a day to some 13.6 million bbls. For the past 60 years, consumption has been increasing at an annual rate of 6.6%. But the regional growth varies widely. For example, this past year, Western Europe has been making a rapid recovery in consumption. Canada's own consumption is up about 11%, while the American market is 6% larger.

New oil reserves have been proven far faster than they have been used up. The lives of many fields are estimated time and time again. But the dates of death are usually postponed. Since the 1930's, world reserves have grown by five times. Today they stand at 115 billion bbls.—25% in the U.S., 53% in the Middle East alone.

But these are only proven reserves and do not include fantastic hoards like Alberta's oil-sands, currently estimated to contain as much as 300 billion bbls. of crude (or more than twice the world's proven reserves.)

Proven Crude Petroleum Reserves

Principal Sources
(Million Barrels)

Middle East	61,600
United States	29,000
Venezuela	9,600
U.S.S.R.	6,500
Canada	**2,000**
Mexico	1,700
Indonesia	1,400

In general terms, the Western Hemisphere has 40% of the proven reserves—but has been providing 70% of world requirements. Eventually, more oil will have to come from the East.

Some millions of years ago when the pockets of oil were being sprinkled around far below today's surface of the earth, no attention was paid to future prospective living standards in various parts of the world in the twentieth century. Hence, Canada and the United States are about the only two countries with high living standards as well as large oil resources. For instance, Western Europe is very short of domestic petroleum resources. It has a large refinery capacity, but must rely upon imported crude. Conversely, the Middle East has the crude, but not the high standard of living, which by its nature, means a high per capita consumption of petroleum and its products.

Because of the hodge-podge sprinkling of petroleum reserves, oil enters world trade routes in many directions and forms ever-changing patterns. Before World War II, North American crude and products moved to Europe in large quantities. Today, that area is largely supplied by the Middle Eastern crude. Middle Eastern crude can frequently compete with Venezuelan on the east coasts of Canada and the United States.

Patterns In Oil Trade

These patterns are important in world economics. For instance, the Middle East is in the sterling area. Its production can earn dollars, or can be bought with sterling by Western Europe.

Traditionally it has been U.S., British and Dutch money which has gone into world oil investment, for only countries with high rates of savings could supply the funds in quantity. The pattern of this investment, and the dominance of the U.S. is shown in the giants of the oil industry. Seven companies produce half the world's total. Five of them are American, and two, British. They are: Standard Oil (New Jersey), Royal Dutch Shell, Gulf, Texas, Standard Oil (California), Anglo-Iranian and Socony-Vacuum.

The U.S. has something over $3.4 billions invested in foreign petroleum, about equally divided between the hemispheres, largely in Venezuela and Canada and in the Middle East.

The worldwide development of petroleum has brought wealth to faraway places. A. C. Long, president of Texas Co., said last spring that 60% of the Venezuelan Government's revenue comes from oil, 70% of Iraq's oil revenue, by law, must be used for irrigation, drainage, roads, mechanizing agriculture, electrification. And in Saudi Arabia, he pointed out, Aramco spent millions over a 15-year period before the first dividend was paid to the parent companies in 1947. Oil revenues there are used to help raise the standard of living.

Global Oil Reserves and Production

(Thousands of Barrels)

	ESTIMATED RESERVES	% of World	ANNUAL PRODUCTION	% of World
North America	**32,473,101**	**28.19**	**2,402,761**	**54.01**
Alaska	500	....	.....	....
Canada	1,750,000	1.52	61,378	1.38
Cuba	2,000	....	120	0.00
Mexico	1,700,000	1.47	78,794	1.77
United States	29,020,601	25.20	2,262,269	50.86
South America	**10,995,000**	**9.55**	**762,310**	**17.14**
Argentina	300,000	0.26	24,337	0.55
Bolivia	10,000	0.01	546	0.01
Brazil	40,000	0.03	740	0.02
Chile	35,000	0.03	821	0.02
Colombia	475,000	0.42	39,297	0.88
Ecuador	35,000	0.03	2,802	0.06
Peru	250,000	0.22	16,857	0.38
Trinidad	250,000	0.22	20,865	0.47
Venezuela	9,600,000	8.33	656,045	14.75
Europe	**7,635,000**	**6.63**	**386,810**	**8.70**
Albania	20,000	0.02	1,010	0.02
Austria	200,000	0.17	17,385	0.40
Czechoslovakia	10,000	0.01	842	0.02
France	50,000	0.05	2,456	0.05
Germany, West	300,000	0.26	12,200	0.27
Great Britain	5,000	....	413	0.01
Hungary	40,000	0.03	3,367	0.08
Italy	5,000	....	448	0.01
Netherlands	75,000	0.07	5,062	0.11
Poland	20,000	0.02	1,502	0.04
Roumania	400,000	0.35	29,720	0.66
U.S.S.R. (Russia)	6,500,000	5.64	311,400	7.01
Yugoslavia	10,000	0.01	1,005	0.02
Africa	**214,000**	**0.18**	**17,531**	**0.39**
Algeria	4,000	....	293	0.00
Egypt	200,000	0.17	16,478	0.38
Morocco, French	10,000	0.01	760	0.01
Asia, Total	**63,860,500**	**55.45**	**878,584**	**19.76**
Asia, Middle East	**61,570,000**	**53.46**	**762,207**	**17.14**
Bahrain	300,000	0.26	11,005	0.25
Iran (Persia)	13,000,000	11.29	10,700	0.24
Iraq	11,000,000	9.55	138,932	3.12
Kuwait	18,000,000	15.63	274,100	6.17
Qatar	1,250,000	1.08	24,962	0.56
Saudi Arabia	18,000,000	15.63	302,395	6.80
Turkey	20,000	0.02	113	0.00
Asia, Far East	**2,290,500**	**1.99**	**116,377**	**2.62**
Borneo, British (Sarawak and Brunei)	550,000	0.47	38,520	0.86
Burma	45,000	0.04	732	0.02
India	28,000	0.03	2,050	0.05
Pakistan	22,000	0.02	1,647	0.04
China	15,000	0.01	732	0.02
Formosa	500	....	15	0.00
Japan	30,000	0.03	2,143	0.05
Indonesia	1,400,000	1.21	61,726	1.39
New Guinea, Western	100,000	0.09	1,812	0.04
Sakhalin	100,000	0.09	7,000	0.15
Australia-New Zealand	**100**	....	**7**	**0.00**
Total, World	**115,177,701**	**100.00**	**4,448,003**	**100.00**

Source—World Oil.

The Company is engaged in the exploration for and development of petroleum and natural gas properties in Western Canada and the Williston Basin area of the United States.

TRIAD OIL CO. LTD.

Lancaster Building

CALGARY ALBERTA

Canada's rise into world prominence is the biggest postwar petroleum story in the Western Hemisphere.

Alberta's Turner Valley was discovered in the late 1920's, and was the country's leading producer. Combined with the output (principally for the Norman Wells in the Northwest Territories) annual production was only enough to provide about 9% of total domestic consumption before Leduc.

But who could have foreseen the winter's day in February, 1947 when Leduc No. 1 came in, and the whole face of Canada's oil picture changed? Oil men say that discoveries are directly related to the amount of money spent in exploration. Imperial Oil's $23 millions spent in wildcatting in the West was certainly to pay off.

Since then, Canada has grown into a world oil producer. Today, she is tied with Indonesia for seventh place among world producers—granted there are some wide gaps between the ranks. Nevertheless, Canada's production, equal to 1.38% of the world's total, is the largest output of any of the Commonwealth.

In 1953, the country has been supplying about 50% of its own domestic needs. And those needs today are over double those of pre-Leduc days—up from 225,000 bbls. daily to 500,000 bbls. daily.

The country is well on its way to supporting itself, on balance, with all of its own petroleum needs. Since 1946, domestic crude production is up 11 times, proven reserves 45 times. And the $1 million a day being invested in further expansion makes Canada's oil into a big story.

Geography has always ruled this country's economics. Resources are not always close to markets. Hence the importance of the completion of the pipeline to carry crude out of Alberta over the Rockies to Vancouver, and running in the other direction, the new extension of the crude pipeline from Superior, Wisconsin on to Sarnia, Ontario, so the flow to Eastern markets is no longer dependent on a tanker fleet bound to the seasons.

U. S. The Giant

The United States is by far the biggest feature in world oil.

That country produces half of the world's crude, has one third of world's proven reserves, nearly two thirds of its refining capacity, and owns half of all non-U.S. crude production.

Compared to Canada, it is a giant consumer, gobbling up some 6 million bbls. a day, or two

(Continued on page 64)

Mid-Western Industrial Gas Ltd.

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SHERRITT GORDON MINES LTD.

NICKEL REFINERY

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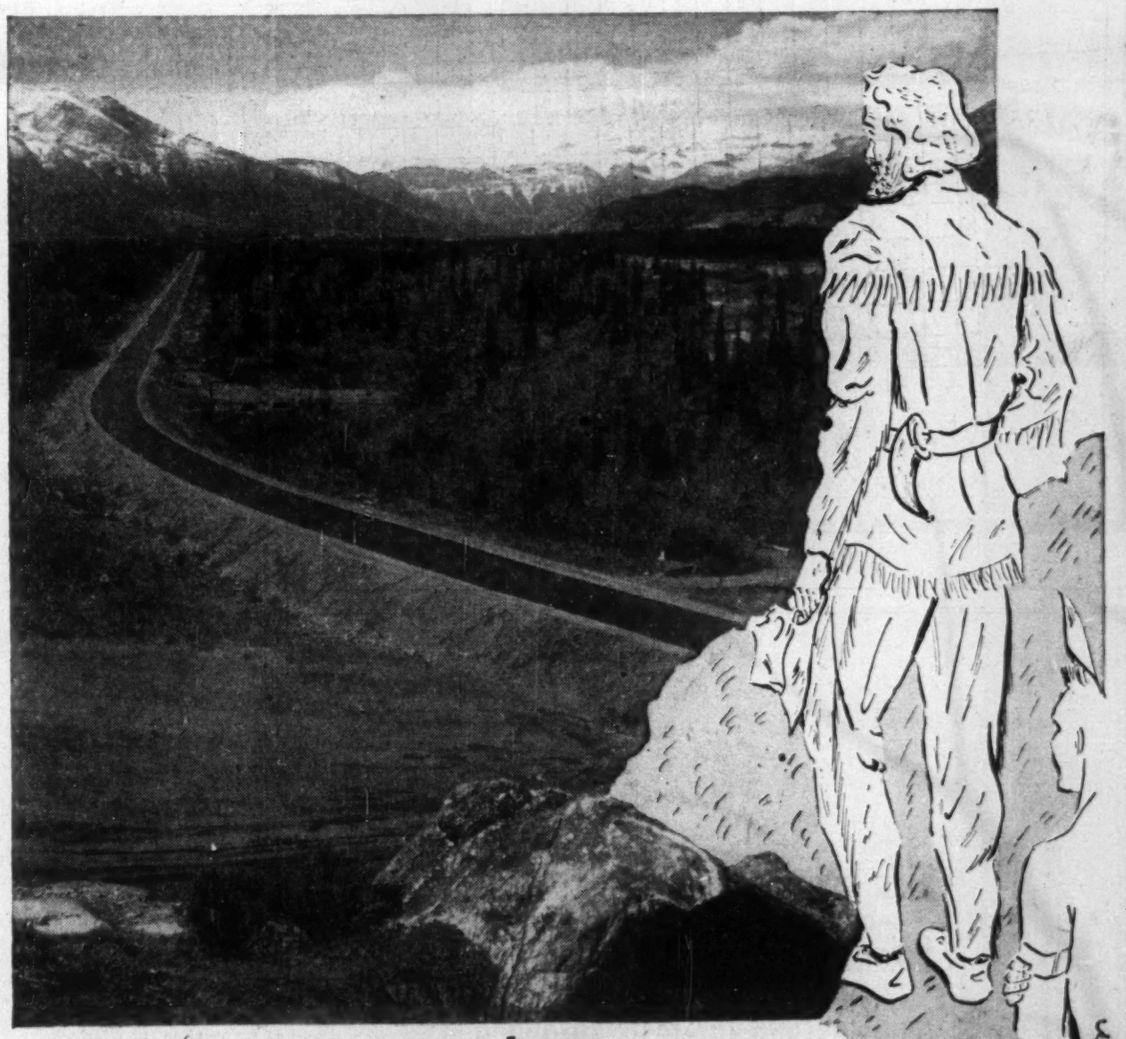

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IMPRESSIVE GAINS

Manitoba In For Bigger Share of Oil Boom?

Province Will Start 1954 With Two Proved Oil Fields

Two important developments in 1953 rank as impressive gains in Manitoba's oil industry.

Neither nor both together establish the province as a major producer but they have encouraged operators to think it has at least a 50-50 chance of becoming one.

The first significant incident was the midsummer strike of Manitoba's first free flowing well currently known as the McIvor-Roselea, three quarters of a mile northwest of the town of Virden on the Trans-Canada highway.

Eight other wells have been drilled near it, all but one producing.

Before year's end the province's Oil and Natural Gas Conservation Board will recommend to the natural resources branch it be designated a proven field and possibly named the Virden-Roselea. It is eight miles distant from the Daly established as a proven producer in 1952. The province will start 1954 with at least two proved oil fields.

The second incident of note was the mid-September find of California Standard Co. which brought in a new producer yielding 70 to 90 bbls. a day on pump near Whitewater, nearly 60 miles from the two fields at Virden.

With this discovery, oil has been located in commercial quantity on the north and south fringes of a block 60 by 50 miles, indicating that oil finds are possible and likely in an area of 3,000 square miles in the western part of the province. The Whitewater well is likely to start the most intensive exploratory program in 1954 so far undertaken by oil operators.

On top of these two new discoveries the Daly field has been producing more than in 1952. Its production, in fact, for August and September has been nearly four times as much as for the first nine months of 1952.

First Producing Well

The first McIvor-Roselea well which got into the department production figures in July has been consistently yielding about 120 bbls. a day since it started. Its discovery was in part accidental.

McIvor Drilling Co. which early in the year was operating at Calgary struck a slack interim and its owner Hart McIvor decided to come back to Virden and put the outfit to work on his grandfather's homestead. The original homestead of 160 acres was filed upon in the '80's and adjacent to it was a 160-acre pre-emption which gave the family 320 acres upon which to operate.

The McIvor farm had previously been checked by other operators and geologists and was not regarded as a location on which a strike was likely. At 2,100 ft. oil came from Manitoba's first free flowing well.

What surprised everybody was that the flow came at depth 500 to 600 ft. shallower than in the Daly field where the wells ranged in depth from 2,600 ft. up. McIvor said he put his outfit to work on part hunch and all gamble and sentimentally named the well Roselea, because his father used to call his land holdings in Scotland the Roselea farm.

Under Manitoba regulations, one well may be drilled on each 40 acres. McIvor drilled five others on the family farm. Four came in as producers. In the fifth, salt water appeared and it was capped.

In the meantime Imperial Oil and British American Oil Co. which had acquired lease rights on two farms across the road put outfits into operation on both. Both companies have brought in flowing wells, each yielding about the same volume as the McIvor-Roselea.

B. A. Oil's third and largest well had a 2,400 bbls. initial daily potential.

On this showing the provincial natural resources branch will follow the recommendation of its board and designate a new proved field.

In September, the last month for which returns are available, Manitoba had 64 producing wells, 61 in the Daly field. One of this last group, Cruikshank 5 of Canadian Pipe Lines Producers, gave the largest yield, 4,192 bbls. The McIvor-Roselea ranked second with production of 3,851 bbls. A well of Canadian Superior Oil of California was third with 3,450. Five other wells in the Daly field yielded better than 2,000 bbls. and 16 others more than 1,000 bbls. Total production in September was a record high of 65,391 bbls. In September 1952 it was 10,940.

Total production in Manitoba up to September 30 has been 478,411.

Recovery Difficult

By comparison with 1952, the figures seem impressive enough and give encouragement for what may be ahead. They still fall short of establishing Manitoba as a major producer. The job of recovery is even more difficult than discoverys Encouraging as the record has been since the first strike early in 1951, the real story of oil in Manitoba is more in the efforts made and being made to bring the recovery to a more profitable status.

The Roselea field is adjacent to the town of Virden which is on a site of 640 acreas. There may be indications the town site is an oil field itself. With exception of the Roselea wells, all the producers in the province are on pump, a practice not resorted to in many fields until late development stages.

It has been estimated that not more than 10% of the oil beneath the Manitoba section of the Williston basin can be brought to the surface, at least by present methods.

Two circumstances have so far favored the province:

1. The Daly and Roselea fields are close to the Interprovincial Pipeline from Alberta, making transportation costs to the Winnipeg refinery cheaper than from other fields.

2. Cost of drilling Manitoba shallow wells is away less than in adjacent North Dakota where many of the wells are three or four times as deep. But for these advantages some of the marginal wells in the province couldn't be economically operated.

The pipeline from the Daly field to hook in with the Interprovincial Pipeline at nearby Cromer seven miles away is nearly completed. Up to the present, the Daly production has been stored in tanks at Cromer and has had to be turned into the pipeline in lots of not less than 5,000 bbls.

Since production started here, complicated processes of sand and fluid fraction have been employed to try and increase recovery, Sand or fluid has been forced into the wells to open the pore openings in the tight Mississippian formation.

The procedure has been used in many wells of the Daly field. Because of this some have remained in production when otherwise they could not have operated.

Early this year the California Standard Co. embarked on a $100,000 experimental water injection system. The scheme involves forcing water into four injection wells around one central producer to try and drive the oil toward the producing well.

This procedure is frequently used for secondary recovery in Pennsylvania and Oklahoma fields and usually takes several months to get visible results. So far there have been no conclusive indications of its success in Manitoba.

The oil production of Manitoba is still far short of the estimated $15 million spent in drilling and exploration work. Expenditures are likely to be more than ever next year and while operators are hoping for better results some of them say it may be a number of years before the full story of the Manitoba section of the Williston basin is known.

The oil development and conservation policy of the Manitoba Government in a general way is patterned on that of Alberta. This province, however, has much smaller ownership rights of its oil than has Alberta and what it has is currently disturbed by two litigation cases in which court decisions thus far have been adverse.

One judgment delivered in 1952, sustained by the Manitoba Court of Appeal, is currently before the Supreme Court of Canada and decision is likely before end of the year. The judgment denied right of the province to oil rights on 1,300,000 acres of land, part of it swamp lands.

Part of it is lands originally given as subsidy in the early days to the Manitoba & Northwestern Railway and finally turned back to the province when the company defaulted on its bonds. The province acquired ownership of the land and by statute reserved the mineral rights.

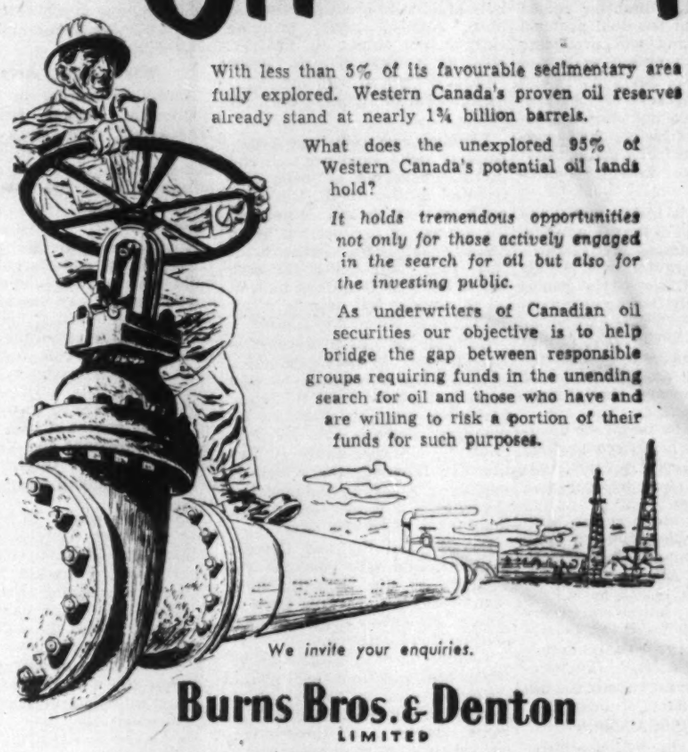
In issuing title to the land as it was sold, the under rights were not reserved in the title to purchasers. The court held that holders of the title owned the mineral rights notwithstanding the statute.

The second case involves only about 100,000 acres but much of it is located in or near the Daly and Virden oil fields. The facts are slightly different from those of the other case but even though agreements and titles issued for the land had reservations of mineral rights to the Crown in right of the province, the Court ruled them meaningless and ineffective.

This case is before the Manitoba Court of Appeal and awaiting a hearing.

THE SEARCH FOR OIL MEANS . . .

Opportunity



With less than 5% of its favourable sedimentary area fully explored. Western Canada's proven oil reserves already stand at nearly 1¾ billion barrels.

What does the unexplored 95% of Western Canada's potential oil lands hold?

It holds tremendous opportunities not only for those actively engaged in the search for oil but also for the investing public.

As underwriters of Canadian oil securities our objective is to help bridge the gap between responsible groups requiring funds in the unending search for oil and those who have and are willing to risk a portion of their funds for such purposes.

We invite your enquiries.

Burns Bros. & Denton
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Members: The Investment Dealers' Association of Canada

TORONTO — MONTREAL — WINNIPEG — OTTAWA

The Record of Oil Company Growth

Cdn. Superior

In December, 1952, Canadian Superior Oil of California adopted a policy of accelerating exploration of its properties while conserving working capital. This was done by farming out its holdings to other companies for development at no cost to the company, and idling the company-owned drilling rig. At Oct. 15, 1953, eight geophysical crews were carrying on seismic exploration on Canadian Superior properties under these agreements.

During the year ended Aug. 31, 1953, Canadian Superior drilled 17 wells on its own in Alberta and Manitoba, resulting in 16 producing oil wells and one failure. In addition a half interest was taken in four wells of which three were successful.

Wells drilled by others under farmout agreements totaled 52. Nineteen wells obtained oil production while four are potential gas producers and 29 were dry holes. In most instances the company retained a sliding scale royalty interest. The company also contributed acreage for 24 wells drilled under bottom hole agreements, from which one oil well and one gas well resulted. Small cash contributions were also made for five dry holes drilled close to company lands.

Net production for August, 1953, from the company's 27 owned and 20 partly-owned wells totaled 48,569 bbls. For the fiscal year ended Aug. 31, net production was 371,532 bbls., compared with 172,115 bbls. for the year ended August, 1952.

As the company is still deemed to be in the exploration and development stage, all expenditures have been capitalized. Such expenditures totaled $14,674,438 at Aug. 31, 1953. Working capital on that date amounted to $8,228,570.

Anglo-Canadian

Anglo-Canadian Oils acquired the entire assets of Calmont Oils on Sept. 28 thus considerably extending the company's assets. Oil reserves in November, 1953, were estimated at 12 million bbls.

A net profit of $1,264,290 or 41c a share was realized by the company in 1952, just over double the profit of a year earlier. Working capital at the beginning of this year amounted to $3.7 millions, taking securities at book value, or approximately $4.6 millions including securities at their market value. In November, 1953, working capital was $5 millions.

Starting the year, Anglo-Canadian held varying interests in 126 producing wells equivalent to the ownership of 56 wells. Further drilling has been done on the Leduc area this year, the company has added the productive holdings of Calmont to its position, including the very important Rimbey area development, and an active wildcatting program continues. With two other companies, the company has been drilling a test well in the Baintree area of Alberta with four companies supplying all costs of drilling for a half interest in 10½ sections secured on farmouts.

Production was running 2,400 bbls. daily late 1953.

New British Dom.

If export of natural gas is approved, New British Dominion Oil Co. reports it is well protected with substantial holdings covering all phases of such export.

The company has large proven reserves of gas in the Fort St. John area, Peace River district, through its 25% interest in 3,840 acres and 50% in 20,000 acres, under development by the Pacific Petroleums group. In the Pincher Creek wet gas area a substantial royalty is held on considerable proven acreage. In southeastern Alberta at Etzikom the company has a half interest in 20,000 acres on which six gas wells have been capped awaiting a market.

The company and Montalban Oils are developing 5,360 acres in the Barons area of Southern Alberta. Of five wells drilled two have been brought in as oil producers while three were dry. One well is drilling. New British has a 50% stake in the project.

Other interests of the company include a share in about 10 oil wells and several gas wells in Alberta and Montana, and extensive acreage holdings in Alberta, B.C., Ontario and Montana. A wholly-owned subsidiary supplies natural gas to the town of Stettler.

Reserves of New British were estimated as at July 7 of this year to be 569,925 bbls. of oil and 97.88 billion cu. ft. of gas. Authorized capital is 4 million shares, of which 3.8 million are outstanding.

Pathfinder Pete.

Extensive acreage and royalty interests are held by Pathfinder Petroleums in Western Canada and U. S. The company's landholdings total 1,413,525 gross acres of leases and reservations in Alberta, B.C., Saskatchewan, Manitoba, Montana, North Dakota and Nebraska, equivalent to 100% ownership of 610,878 acres.

Company farmed out 20,000 acres in the Brooks area of Alberta to York Oils, which subsequently made a discovery of light oil in the Sunburst sand and the Madison limestone. The discovery well was completed to produce from the Sunburst but due to a faulty cement job had to be abandoned. A second well was a dry hole, and Pathfinder then drilled another well on the same legal subdivision as the first. The Sunburst sand was found here to have shaled out and the well was completed in the Madison with an indicated production rate of 20-25 bbls. per day. The well is shut in awaiting further development of the area.

The company's net share of developed oil reserves in which it holds participating or royalty interests is estimated at 90,297 bbls. Gas reserves are estimated at 5,638,300 mcf. Outstanding capital included $300,000 series A and $1.5 million series B 1-5% convertible debentures, due 1962, and 302,000 shares out of five million shares authorized.

Redwater Utilities

Redwater Utilities Holdings Oil & Gas Ltd. is currently participating in developing the Hamilton Lake and Erskine fields, as well as in wildcat wells in the Home Glen and Pine Lake areas of Alberta. The Pine Lake venture, already a natural gas discovery in the Mississippian limestone, is being taken down to test the Devonian D3 zone.

In Illinois, Indiana and Oklahoma, company has a 15% share in a secondary recovery project being carried out on 6,157 acres. A subsidiary of the company supplies gas and water to the town of Redwater, Alta.

Company's acreage holdings comprise 155,389 gross acres of leases and 3,058,219 acres of reservations, or a net interest of 34,708 acres of leases and 374,866 acres of reservations. The lands are scattered in Alberta, B.C., Northwest Territories, Saskatchewan, Ontario and Montana. The 20 producing oil wells from which the company receives revenue are located in the Hamilton Lake, Leduc, Malmo, Erskine and Bonnie Glen fields of Alberta.

Redwater Utilities estimates its oil reserves in Alberta at approximately 515,000 bbls. and its share in the secondary recovery program in the U. S. at about 2,250,000 bbls.

Mitmor O. & G.

Mitmor Oil & Gas is currently engaged with others in developing its holdings in the Erskine area of Alberta. The company has 17½% interest in 160 acres and 20¼% in 120 acres under development and varying interests in offsetting lands. So far five oil wells have been successfully completed in the Devonian D3 zone at depths of around 5,300 ft.

The company also holds 25% of three producing wells at Camrose and shares in more than one million acres in Alberta, Saskatchewan, Northwest Territories and Montana. The company's oil reserves are estimated at 71,280 bbls. at Camrose and 91,255 bbls. in the Erskine field. A total of 2,581,755 shares are outstanding of an authorized three million shares.

Lloyd. Devel.

An extensive drilling program, alone and with partners, has been carried on in the Lloydminster field by Lloydminster Development Co. Ltd. As a result, the company owns about six oil and nine gas wells and has substantial interests in a further 24 oil and eight gas producers.

Also has approximately 148,000 acres of properties, comprising 22,180 acres in the Lloydminster field, 76,574 acres of permits in Saskatchewan north of Lloydminster and government permits on 50,000 acres in British Columbia.

A drilling program involving 24 wells undertaken in the last half of 1952 resulted in the completion of 17 oil producers and two gas wells. Financial statements for 1952, which showed gross profit of $45,373, did not, therefore, reflect the earning potential of the company. Earlier this year two wildcats were put down by the company on its Saskatchewan permits but found no production.

Oil reserves of the company at Lloydminster are estimated to be in excess of four million bbls.

NATURAL GAS
CLEAN SILENT DEPENDABLE MODERN

IS SERVING

SASKATCHEWAN

1952

In the fall of 1952, less than a year after satisfactory supplies of gas had been proven in the Brock area, 100 miles west of Saskatoon, natural gas was piped into the towns of Brock and Kindersley.

1953

During the winter of 1952-53, plans were made to pipe gas from the Brock field to the city of Saskatoon before the winter of 1953.

In May of this year, work began on the 101-mile long pipeline which was finished within 41 days. At the same time construction began on the distribution systems in Rosetown and Saskatoon and later in the summer, the towns of Delisle, Coleville and Netherhill.

On October 1st the official opening of the system was held in the city of Saskatoon, less than half a year from the time work first got under way.

THE FUTURE

Plans are already being laid for the extension of the present system. "We are not going to stand still," Premier Douglas said recently with regard to natural gas development, and he states that the government would have money available to extend the natural gas pipeline network to any part of the province, where it could be shown that construction was an "economic proposition."

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HEAVY CRUDES

Thick Oils Winning A New Prosperity

Lloydminster Still Chief Area, But Others Mushrooming

Success of persistent oil operators in the Lloydminster region in working out the dual problem of (a) servicing and producing heavy crude pumping wells and (b) researching heavy crude and developing markets for its products, has been not only a noteworthy item of history for Lloydminster but the fast growing number of areas finding similar crudes.

No longer is heavy crude the unwanted child of the oil industry. Despite its molasses-like thickness and specific gravity from 9 deg. to 20 deg. API, Lloyd-type crudes are almost daily finding new markets with an emerging prosperity all their own. While heavy crudes are difficult to handle by ordinary pipelines, the very thickness of the product means special contained products.

A market is by no means available for all the heavy crude which could be produced. But the situation is much more hopeful than a few years ago.

The Lloydminster region with its Blackfoot, Lloydminster, Lone Rock, McLaren and Waseca pools, straddling the Alberta-Saskatchewan boundary, is still by far the largest single source of heavy crude although there has been a mushroom-like growth from other areas, notably the Coleville-Buffalo Coulee area further south in Saskatchewan.

200,000 Bbls. A Month

Output of the Lloydminster region runs roughly 200,000 bbls. monthly. In August, 1953, 197,873 bbls. of oil were produced (197,085 bbls., August, 1952), bringing eight-month output to 1,657,862 bbls., an increase of over 150,000 bbls. as compared with the eight-month total of 1,499,486 bbls. for 1952.

Lloydminster wells have a comparately small yield per well and literally hundreds of wells contributed to this total. But such wells are very cheaply drilled and the number of producers is being steadily extended by further drilling. It is claimed that the area has as much as 75 million bbls. of oil in reserve but experts differ widely as to the correct figure.

Coleville is fairly similar to Lloydminster in that production is in the heavy category, is won from just below 2,000 ft. depth, and wells must be produced by pumping. Average yield per well, however, is considerably greater than at Lloydminster which is explained in part by the fact that Coleville is a much newer field than the Lloyminster area.

Royalite Oil Co. and Canada Southern Oils have been the developers of the Coleville field with Trans-Empire Oils participating in development of the Buffalo Coulee section.

To the end of August, 1953, 98 wells had produced oil in the Coleville area in 1953 with a considerable number of additional wells indicated as productive. August, 1953, production amounted to 53,707 bbls. as against 46,298 bbls. in August, 1952, while eight-month output at 449,693 bbls. in 1953 was more than double 1952's 197,972 bbls.

Alberta Heavy Areas

Across the border in Alberta, Bonnyville, Baxter Lake and Wainwright are names in the heavy crude picture. Chauvin, a fast-expanding new area also just missess being in the heavy crude bracket (21-22 deg. gravity crude).

But aside from its share of Lloydminster, Alberta has yet to build up its heavy crude production in the way Saskatchewan has. Its big output of light crude is still the hallmark of the Alberta industry. Bonnyville turned out 5,309 bbls. of crude in August versus 3,585 bbls. a year earlier; 28,204 bbls. were produced in the first eight months of 1953. Baxter Lake, Wainwright and Vermilion each turned out totals slightly below the Bonnyville August production.

Altogether about 13.5 million bbls. of heavy crude—over 90% of it from the Lloydminster region—has gone to market to date. First real recognition of the value of Lloyd-type crude came from the railways with the CNR using large quantities of Lloyd bunker "C" fuel in their oil-burning locomotives. But with railway dieselization, wider markets are being sought—and found.

Husky Oil & Refining, leading Lloydminster heavy crude operator, reported a 57% increase in sales of finished products in 1952 (i.e. asphalts, diesel oils, house furnace oils and gasolines).

"One of the outstanding developments during 1952 was the greatly increased sales of industrial asphalts which more than doubled during the year and nearly equaled in volume the sale of road asphalts," President Glenn E. Nielson reported. Several new asphalt products have been further developed to expand this market.

Improved Product, Markets

Both Husky and Excelsior Refineries, Lloyminster's second heavy crude processor, have done much to improve not only products turned out but available markets. Husky has improved the quality of its gasoline with a catalytic gasoline reforming unit completed this year. An asphalt specialty plant has been installed.

Excelsior has expanded the range of its asphalt products and by July, 1953, had orders for more asphalt for 1953 delivery than had been delivered in all of 1952. Both Husky and Excelsior have expanded storage facilities. An exchange track completed in October, 1952, permits making of deliveries on either rail line, making servicing of markets much simpler.

To enlarge the market for light end products, Husky recently purchased existing service stations and bulk plants in the Edmonton and Calgary districts, invading these traditional light crude markets.

With Coleville area estimated to have indicated some 50 million bbls. of heavy crude, much attention has been given to the best methods of taking advantage of this resource. Canada Southern Oils reports that methods have been developed for reducing viscosity of Coleville crude to a level which will make it acceptable for pipeline transportation.

New processing facilities arranged should be of great assistance in broadening Coleville markets. Royalite purchased 50% of the capital stock of Prince Albert Refineries in 1952 to provide an assured outlet of 1,000 bbls. a day of Coleville crude.

Trans-Empire, interested in marketing its own Coleville crude, controls Moose Jaw Refineries. A new 5,000 bbls. a day topping plant of Refinery Operators, adjacent to the Coleville loading terminal, was built in 1953, provides for production of fuel oils including bunker "C" type.

Bulk of Canada's future oil discoveries will likely be of the light crude rather than the heavy crude variety. And heavy crude output will probably never be anything like that of the more glamorous crudes. But with the expanding Western Canada economy and improving crude oil transportation facilities, a bright future appears to lie ahead for the heavy crude business.

Company Survey

Palmer Oil Devel.

Palmer Oil Development Co. operates three drilling rigs, chiefly in Saskatchewan, and recently has been participating in several exploratory ventures there.

At Midale in the southeastern sector of the province, the company has a stake in a well which has been successful in finding light oil in the Mississippian formation. Two other ventures in the Forget area resulted in dry holes.

In the Maidstone field the company holds approximately 1,280 acres as yet undrilled. A subsidiary owns four producing oil wells and has 25% interest in another four in Texas. The company's net share of proven and possible undrilled reserves of oil here is 629,338 bbls.

Palmer was publicly financed in May of this year through the sale of $1 million 5½% convertible sinking fund debentures due 1963. Shares capital consists of 5 million shares of which 1,400,007 shares are outstanding.

World Oil Supply Gains, But Needs Will Still Climb

(Continued from page 62)

thirds of the free world's consumption.

About 18% of all U. S. domestic crude comes from four states; Texas, California, Louisiana and Oklahoma.

Venezuela is the world's second largest producer. Today, its production is double that of immediate postwar. Large quantities of its crude go to the U. S., Western Europe and Canada's East Coast.

Its share of world output is 14.75%. Proven reserves are five times those of Canada. Most of the money in Venezuelan development is American. Venezuela produces 86% of all South American crude, the rest coming principally from Colombia, Argentina, Trinidad and Peru. Like Mexico, some of the South American countries today can supply more than their own needs. But if standards of living are raised, the story may be different.

Eventually, the Western Hemisphere will have to turn more and more to the East, particularly the Middle East, for its sources of crude.

Middle East

The Middle East has over half the world's total proven reserves, but produces less than one fifth of total production.

As recently as 1950, Iran was the leading producer in the area. Mr. Mossedegh fixed that.

Today, Saudi Arabia leads, with the tiny sheikdom of Kuwait running a close second. Kuwait is at the head of the Persian Gulf, with its major field only slightly over 100 miles from Abadan, Iran. Its rise into world oil circles has been phenominal.

Production in Kuwait is under Kuwait Oil Co., which is jointly owned by Anglo-Iranian and Gulf Oil. When Anglo-Iranian was pushed out of Iran, it turned its attention to 6,000-square-mile Kuwait. The result: production jumped from 6 million bbls. in 1946 to 273 million bbls. last year—more than Iran ever produced—and just under Saudi Arabia's 302 million bbls. This year the gap with Saudi Arabia has been almost closed.

Saudi Arabia now produces 6.75% of the world's total, ranks fourth—after the U. S. (51.2%) Venezuela (14.65%) USSR (6.95%) and just ahead of Kuwait (6.12%). The death of Ibn Saud, absolute king of the sandy state, and the accession to the throne of his son, are expected to have no effects upon the operations of Arabian-American Oil Co. The company contributes an estimated $200 millions annually in royalties, resulting from a 50-50 profit-sharing arrangement.

One of Aramco's big marketing advantages over Kuwait is the pipeline facilities to carry production to an outlet in Lebanon on the Mediterranean. Kuwait's production must move by sea around through Suez.

Iraq's production more than doubled last year over 1951—is now twice the size of Canada's—largely due to the new pipelines to the Mediterranean.

Mossadegh's Tears

Iran used to produce about four times Canada's current production. But now only a dribble, a token output, comes out of its wealthy fields.

Britain began investing in oil in Iran in 1913, and produced there, the first crude in the Middle East. The country has proven reserves of some 13 billion bbls—six times Canada's current proven reserves.

Since Iran nationalized her oil industry, a boycott has been maintained against the production until Anglo-Iranian is compensated for losses.

Mossedegh's nationalization action had some interesting repercussions. He thought the world had to have Iranian Oil. Yet within a few months after it was cut off, greater production in the United States and Venezuela offset the loss in world markets. And in short order, the Middle East itself, more than made up for Iran's idle production.

Today the country is receiving financial aid from the U. S. But with Mossadegh ousted, the world can certainly expect Iranian oil soon to flow again into world markets, although it may take several months to make arrangements.

Autumn 1953 brought another stirring event: Russia began to enter the world oil picture. The country has very small oil production compared with its potential. But apparently, there is sufficient for export.

Russian oil is being offered in many countries in Western Europe, usually below local prevailing prices. There have also been some barter agreements.

Soviet oil production is estimated at about 7% of world's total. Reserves are great. World Oil estimates them at 6.5 million bbls. or 5.6% of the world's total (Canada: about 2 billions). But some guesses put the potential as high as one quarter of the world's total.

Oil And The Atom

What's the future for petroleum demand?

Look at the Canada story. One short generation ago, in 1926, petroleum provided 12.3% of all energy used, compared with 82% from coal and coke.

Today, Old King Coal plays second fiddle to other sources. Petroleum alone provides 42% of all energy, almost as much as coal, and the gap is being closed.

Ever since man found he didn't have to do everything by his own muscles he's been searching for new sources of energy. Horsepower, waterpower, steam, gasoline and diesel engines, hydro-electric power—the constant search continued.

And one of the most versatile of his finds has been petroleum. Besides going into all sorts of products from inks to lingerie, and lubricating everything from a Roman water pulley 2,000 years ago to a wristwatch in 1953, petroleum has found a key spot in this Age of Energy.

It may power a jet plane across the skies at twice the speed of sound. Or close to home, it has made a coal shovel into an antique for one in three Canadian homes with oil burners.

Oil men don't fear any competition from atomic power. Demand will keep on growing for a long time to come. However, a cautious note was uttered by a U. S. executive recently:

"Whenever I hear an oil man dismiss atomic energy with an airy 'Oh, I can't see it for anything except big power plants. Nothing to worry about from that quarter,' I try to think back on how a coal tycoon must have spoken of the infant oil industry about 70 years ago. 'I can't see it for anything but lamps,' he probably said, 'Not enough of it. Too hard to find. Expensive to ship too, with all those unhandy barrels. Nothing to worry about from that quarter."

The world will have to wait to see. And in the meantime, there's still going to be a lot of oil consumed, a lot of oil discovered, and a lot of the world better off because of it.

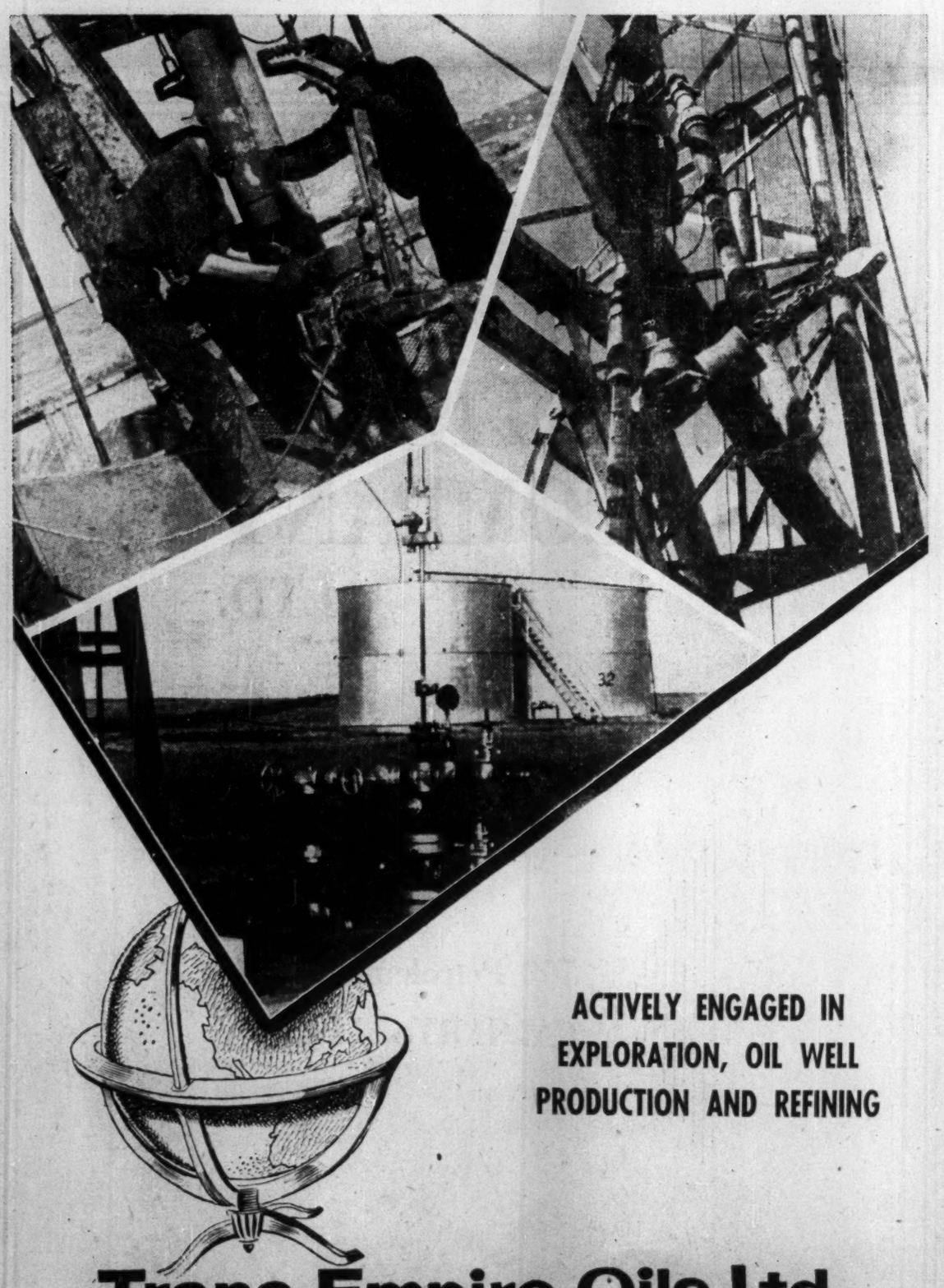
Flock Gas & Oil

At its first wholly-owned venture, a three-well program in the Princess-Denhart area of Alberta, Flock Gas & Oil Corp. chalked up a natural gas discovery and indicated possibilities of oil production.

The first two wells were completed in the Bow Island sand at just below 2,500 ft. depth as good potential gas producers, and capped. The third driller flowed oil and salt water and is undergoing extensive tests. Possibilities for commercial production of oil are stated to be encouraging. Earlier this year the company participated in a wildcat in the Handhills Lake area, which however was unsuccessful.

The company holds leases on 320 acres and 32,242 acres of reservations in the Princess-Denhart area, and owns two gas wells located thereon, drilled in 1944. In addition a 6¼% share is held in 162,572 acres at Solomon Creek on which a well was drilled and abandoned.

Formed in 1952, the company made its initial public offering in May of this year with the sale of 800,000 shares in U.S. at $1.65 per share net. An additional one million of the four million authorized shares of 20 cents par value were issued to the Flock Oil & Gas Syndicate for properties.



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The Big Growth of Refineries

(Continued from page 54)

on additional tank storage, tank car trackage and waste disposal equipment, and putting in metal-clad lining on portions of its existing equipment. No major changes in refinery anticipated.

15. **Anglo American Exploration Ltd.,** refining division, Harell, Alta., is building a new loading dock costing $50,000 and scheduled to be ready in January. Refinery company formerly known as Gas & Oil Refineries Ltd.

16. **Prince Albert Refineries Ltd.** has purchased a fleet of 46 tank cars. It does not anticipate any major expansion or expenditure next year.

17. **Canadian Oil Companies** new refinery at Sarnia is operating on a per-stream-day basis in excess of its rated capacity. Relacing lubricating oil and grease manufacturing plant at Montreal, destroyed by fire in April. New plant should be ready May 1, 1954.

18. **Consumers' Co-operative Refineries Ltd.** expects to complete expansion and modernization program before next July, including 6,500 b/d vacuum high pressure gas plant, polymerization unit, propane gas facilities and offsite equipment at a total cost of $7.5 millions.

19. **Riverlake Oils Ltd.,** a new company at Fort William, Ont., has completed its plant, which includes a Phillips catalytic cyclo-version unit for upgrading gasolines. Plant is situated on Island No. 1, Fort William.

Anglo-Canadian Oils Ltd. at Brandon, Man., **New Brunswick Oilfields Ltd.,** Moncton, N.B., **Northern Petroleum Corp.,** Kamsack, Sask., and **Moose Jaw Refineries Ltd.,** Moose Jaw, Sask., reported that no changes had been made in their refining capacity and that none are contemplated in 1954. No report of any prospective change was received from **Radio Oil Refineries,** East Kildonan, Man.

Ontario refineries are taking more of Alberta's crude oil production than the refineries in the western province, although the edge is not great. However, the increasing use by refineries outside the producing area reflects the broadening markets beyond Western Canada that are developing as pipelines are built.

Here is a comparison of the disposition of Alberta crude oil in the first eight months of this year compared with the same period of 1952:

Disposition of Alberta Crude

	8 mos. '53	8 mos. '52
	(barrels)	
Inventories	3,801,993	2,008,754
Alta. Ref. runs	13,310,460	12,540,745
B.C. refineries	706,772	
Sask. refineries	9,479,390	7,301,965
Man. refineries	3,742,833	4,026,179
Ont. refineries	15,718,300	10,468,212
Exports to U. S.	1,284,592	666,316
Miscellaneous	281,368	57,031
Total	48,325,728	37,069,202

B-A Oil

British American Oil Co., with assets of more than $194 millions, started in Ontario in 1906. Today it is engaged in producing, refining and distributing petroleum products all across Canada and also has important interests in the U.S.

Value of refined products sold in 1952 was $179 millions, an increase of about 18% over the year before. Five refineries in 1952 handled 26 million bbls., a substantial increase over 23 million bbls. the year before.

This expansion has continued during 1953. First nine months figures show an increase of almost 7% in sales of all products over the comparable period of last year.

B-A operates:

—A refinery at Montreal, with crude oil capacity of 45,000 bbls. per 24 hours, and cracking plant capacities of 17,500 bbls. daily of the catalytic type and 3,500 bbls. daily of the thermal type.

—Refinery at Clarkson, Ont., with crude oil capacity of 17,000 bbls. daily and cracking plant capacity of 4,500 bbls. daily of the thermal type. Revamped topping and vacuum units to increased crude capacity from 12,700 bbls. to 17,000 bbls. crude per stream day.

—Grease plant at Clarkson, capable of processing 15 million bbls. a year, began operation in June, 1953.

—A catalytic cracking unit and auxiliary facilities is to be completed at Clarkson by spring of 1954. Estimated cost is $8 millions.

—Refinery at Moose Jaw, with crude oil capacity of 15,000 bbls. daily, and cracking plant capacities of 1,500 bbls. daily of the thermal type and 4,500 bbls. daily of the catalytic type.

—Refinery at Calgary, with crude oil capacity of 7,200 bbls. daily and a cracking plant capacity of 2,500 bbls. daily of the thermal type.

—Refinery at Edmonton with crude capacity of 7,000 bbls. daily and a cracking capacity of 2,000 bbls. daily of the catalytic type and 1,400 bbls. daily of the thermal type.

A new petrochemical plant at Montreal, operated jointly with Shawinigan Chemicals, went into production in February of this year. A new cumene plant at Montreal has also been completed and is supplying the B-A Shawinigan plant.

The company operates a gas absorption plant in the Turner Valley field of Alberta. It has capacity for 50-60 million cu. ft. of gas daily and also produces feed stocks for alkalyte, used in aviation gasoline manufacture.

A major project in which the company has a one third interest, the Trans-Northern pipeline, began operations a year ago. It cost $20 millions and extends from Montreal to Hamilton, with a spur line to Ottawa. It has an initial capacity of 40,000 bbls. of refined products daily.

Another pipeline, in which B-A has 15% interest, began operation at the same time running from Wyoming to the Mississippi River at Wood, Illinois. It has potential capacity of 150,000 bbls. of crude oil daily. A 70-mile auxiliary line reduces cost of marketing the company's production from the Colorado oil fields. Company's U.S. oil output has been raised considerably this year by this pipeline system.

Net developed oil reserves in Canada and the U.S. were more than 100 million bbls. at the beginning of this year. Recent discoveries of oil in Oklahoma and Colorado promise substantial increase in the company's crude oil reserves.

B-A, owned or had an interest in about 101 oil or gas wells in the Turner Valley, Leduc, Redwater, Glen Park and Whitelaw fields in Alberta at the beginning of the year. It drilled or participated in drilling 42 wells last year including 20 exploratory wells and stratigraphic tests, and 22 development wells. Result was 18 oil wells, three gas wells, 21 dry holes.

Extensions to the Clive and Glen Park oil pools have resulted in considerable increases in oil reserves early this year.

Consolidated net profit for 1952 was $14,130,399, compared with $13,099,301 the year before.

Earnings per share were $1.78 on the common stock, an increase over $1.72 the previous year. Dividend rate increased to 70c a share per annum in July, 1953, from 50c per annum.

Excelsior

Excelsior Refineries Ltd., incorporated in 1949, owns and operates a refinery at Lloydminster, Alta., with a capacity of 3,000 bbls. daily, and has interests in production of crude oil.

The company's plant refines "black" oil and its products include asphalt, fuel oil, diesel and bunker "C" oil, gasoline, etc. Development of additional types of asphalt has resulted in the opening up of new markets, while expansion into the Peace River country was effected in 1952 through the acquisition of a 25% interest in Inland Oils Ltd. of Dawson Creek, B.C. In July of this year the company reported more orders on its books for asphalt to be delivered in 1953 than was delivered in the entire 1952 year.

The company owns about 35 and has a substantial share in a further 30 crude oil wells in the Lloydminster field, as well as in acreage not yet drilled upon. Total oil reserves from proven lands are estimated at 11,340,000 bbls., while a further 7.5 million bbls. are estimated to underlie semi-proven lands and an additional 7.5 million bbls. in favorable acreage.

Oil Producers Ltd., a controlled company, is engaged in the drilling and servicing of wells. Excelsior owns 5,004 shares out of 10,007 shares issued. Interests are also held in two gas wells and in considerable acreage in the Pouce Coupe area, Peace River district, Alberta.

Net operating profit for the year ended Dec. 31, 1952, was $329,185. After deducting bond interest of $104,032, sundry expenses of $33,879, depreciation of $47,810 and writing off $122,500 for recovery of well development, net profit for 1952 was $19,945, compared with a net loss of $6,491 the year before.

Husky Oil

Although dollar revenues advanced 4.5% in the first half of 1953, Husky Oil & Refining showed a profit of only $102,923 or 5c a share in the six months ended June 30 as against $1,414,869 or 72c a share for the full year 1952. Charges for depreciation, etc. were higher this year.

Expansion of facilities remains part and parcel of the company's plans with existing service stations and bulk sales depots acquired in both Edmonton and Calgary districts this year. Two large drilling rigs have also been added in the last half of 1953.

Husky reports nine wells successfully completed in the Pigeon Lake area with nine more planned; the company's net share of allowable production for August amounted to 227 bbls daily.

The production and processing of crude oil at Lloydminster remains the backbone of operations, but the company has been participating in drilling or exploring in numerous areas including North Stettler, Malmo, Kindersley, Cypress Hills, Olds and North Duhamel sections.

Oil Refinery Capacity By Provinces

Barrels per 24 Hours

Province	Nov. 1953 Crude Oil	Nov. 1953 Cracking	Nov. 1952 Crude Oil	Nov. 1952 Cracking	Nov. 1951 Crude Oil	Nov. 1951 Cracking	Nov. 1950 Crude Oil	Nov. 1950 Cracking	Nov. 1949 Crude Oil	Nov. 1949 Cracking
N. S.	22,000	10,000	22,000	10,000	22,000	10,000	20,000	10,000	20,000	11,600
N. B.	300	...	300	...	300	...	300	...	300	...
Que.	176,000	108,100	164,000	99,800	157,000	102,700	131,000	84,250	122,000	79,850
Ont.	135,000	77,050	105,000	52,500	80,700	37,000	88,200	44,000	84,700	43,900
Man.	22,000	6,875	22,000	6,875	21,250	6,875	8,450	2,900	8,200	2,100
Sask.	55,000	21,100	49,500	19,000	39,000	15,260	36,500	15,300	25,400	14,700
Alta.	67,950	31,300	62,300	24,300	61,050	24,300	49,400	18,045	45,525	12,850
B. C.	45,850	10,600	28,350	5,750	28,350	5,750	28,350	5,750	28,350	5,600
N.W.T.	1,250	...	1,250	...	1,250	...	1,250	...	800	...
Total	525,350	265,525	454,700	218,225	410,900	201,885	363,450	180,245	335,275	170,600

Imperial Oil

Imperial Oil, Ltd., together with its subsidiaries, is engaged in producing, refining and distributing petroleum and its products. It is the largest company of its kind in Canada.

Directly or through subsidiaries, Imperial Oil engages in exploration for and production of crude oil; transportation of crude by ocean-going and lake tankers, pipeline and tank cars; operation of nine refineries; and distribution and marketing of over 800 petroleum products through some 1,500 bulk stations in Canada.

Gross acreage holdings of Imperial Oil at the beginning of 1953 amounted to some 24 million acres; total industry holdings were estimated at 208 million acres.

Imperial's net production of crude in Western Canada in 1952 was at a new high of nearly 24 million bbls., an increase of 20% on the year. Gross production averaged more than 75,000 b/d. Volume of product sales rose 6% to 75,689,171 bbls., also a company record.

Estimated consolidated earnings of the company, after taxes, for the nine months ended Sept. 30 last were $35,323,047 or $1.18 per share, up 12.4% from $31,415,333 or $1.05 a share in the corresponding 1952 period.

Total income was $440,931,955, 9% more than the total of $404,406,593 in the first nine months of last year. Total expenses were $380,115,266, an 8.6% increase.

Income and expenses reflect higher volume of crude oil production and product sales made possible by the large expenditures in recent years for plants and equipment, said President J. R. White.

Capital expenditures in 1952 totaled $71,137,910, including $24,542,018 for expansion and modernization of refining facilities. Most recent increase in refinery capacity was at Ioco, Burrard Inlet, near Vancouver. Rebuilding of the refinery was completed Sept. 15, at a cost of $13.5 millions. The work, which took 18 months, almost doubled the capacity to 22,500 b/d.

A new refinery at Regina, with the same capacity as Ioco, is to be ready next spring. Contract has been let for $10 million expansion and modernization program at Montreal East refinery, to increase capacity by 12,000 b/d to 58,000 b/d. New equipment to be installed includes atmospheric and vacuum pipe still; a "cat cracker" and other units are to be enlarged. Completion of the program is expected by the end of 1954.

Construction will begin early next year of a large lubricating oil plant at Edmonton. Cost is estimated to exceed $10 millions, and it is expected to be in operation by mid-1955. Earlier this year, a $5 million expansion program was completed at Edmonton. New equipment included an 8,500 b/d vacuum distillation unit and a 10,000 b/d catalytic cracker.

With Trans Mountain and Interprovincial pipelines now filling, outlets for Canadian oil will soon be twice last year's average. In anticipation of pipeline completion, Imperial Oil earlier this year sold two of its lake tankers, Imperial Woodbend and Imperial Redwater. The company's Marine Department and its subsidiary, Imperial Oil Shipping Co. operate, between them, seven ocean-going tankers, six harbor, river and coastal ships, and eight lake tankers, with a total tonnage of 183,742 tons.

Capitalization outstanding at Dec. 31, 1952, included $9 millions 2½% serial debentures, due Dec. 15, 1953-59; $40 millions 3% sinking fund debentures, due Dec. 15, 1969; and 29,847,227 n.p.v. common shares.

McColl-Frontenac

McColl-Frontenac Oil Co. is engaged in production, refining and distribution in Canada of petroleum products. A subsidiary operates producing oil wells in Trinidad, B.W.I.

The Texas Co. of the U.S. holds a majority of the 2,607,963 outstanding common shares.

McColl-Frontenac has a one third interest in the 442-mile Trans Northern Pipe Line from Montreal to Hamilton. This line began operations Nov. 1, 1952, with initial capacity of 40,000 b/d and ultimate capacity of 75,000 b/d.

Crude oil capacity of company's Montreal East refinery was increased from 43,000 b/d to 58,000 b/d early this year. Total storage tank capacity there is 2.6 million bbls.

A plant at Toronto is operated as a lubricant blending and grease plant and marine terminal for refined products. Other lubricant blending installation are operated at Montreal and Winnipeg.

Present capacity of the Edmonton refinery, completed in 1951 at a cost of $10 millions, is 5,500 b/d. This is to be doubled under a new $4 million expansion program scheduled for 1955 completion. Plans call for construction of a new thermal cracking unit with capacity of 3,000 b/d, a pressure flashing unit to produce 2,700 b/d of reduced crude from the existing crude stilling unit, and additions to the existing catalytic polymerization and fluid catalytic cracking units.

Exploratory work in Western Canada is carried on through an associated company, Texaco Exploration Co. McColl-Frontenac retains a 10% royalty interest in certain acreage and the right to purchase a participating interest in other properties. Company also has first call on all oil produced by and belonging to Texaco Exploration Co.

Leases and reservations of the associated companies now total some 1.8 million acres. At Dec. 31, 1952, McColl-Frontenac held 10% to 50% interest in 2,876 acres in productive areas of Alberta, as well as 10% royalty interest in an additional 6,760 productive acres, all held by Texaco Exploration Co.

Net crude oil production in Canada totaled 660,694 bbls. in 1952 ($89,640 in 1951), increase being primarily due to discovery of new producing fields at Bonnie Glen and Pigeon Lake, and additional drilling in Wizard Lake area of Alberta.

In Trinidad, net production was 632,539 (550,073) bbls. Fifteen wells were drilled, of which 11 were oil producers and one a gas well.

Crude runs to stills totaled 12,820,553 (12,879,6.4) bbls. Reduction was attributable to some extent to use of Trans-Northern Pipe Line to supply terminals along the route. New terminals were constructed at Cornwall, Federal (Ottawa), Prescott, Belleville, Port Hope and Hamilton, Ont.

As a result of completion of the products pipeline, company operated only four lake tankers this year, compared with seven in 1952.

New marine terminals and bulk plants have been completed this year at Chatham, N.B., and Sillery (Quebec City), Que. Additional pumping stations are being put into service on the Montreal-Portland (Me.) crude oil pipeline system, to boost capacity from 125,000 b/d to 156,000 b/d. Company owns a 20% interest in this improved system.

Estimated consolidated net income of the company for the three months ended Sept 30, 1953, after all charges and provision

(Continued on page 66)

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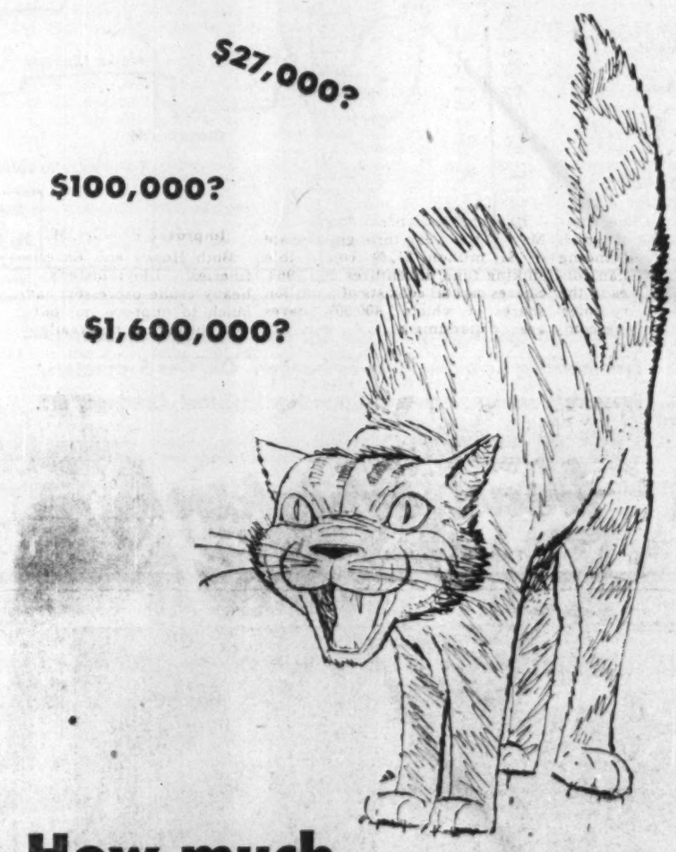

How much does a wildcat cost?

A "wildcat" is a well drilled in an area where oil has never been found. Drilling costs vary, but the average wildcat in western Canada runs to more than $100,000. One well cost $1,600,000—and found no oil!

Oil is making an increasingly important contribution to our standard of living. How many of these questions about it can you answer?

How many wildcat wells find a new oil field—
1 in 3? 1 in 7? 1 in 23?
→ *The long-term average in western Canada is 1 in 23. Only 1 in 87 has found a field capable of producing as much as 2,000 barrels a day.*

Since 1939 the cost of living index has risen by 85%. During that time has the price you pay for gasoline gone up by—
44%? 79%? 103%?
→ *The average retail price of gasoline is only 44% higher than prewar, even with higher road taxes in all provinces.*

A lot of oil has been discovered in the west since 1946. In that time have Canada's oil reserves increased—
4 times? 23 times? 37 times?
→ *Reserves have increased 23-fold in the past six years. Canadian fields now supply all the prairies and part of B.C. and Ontario.*

How many companies, would you say, are engaged in the oil business in Canada—
23? 174? 750?
→ *About 750 companies in which the public has an investment interest, as well as several hundred private firms and partnerships. And this doesn't include the thousands of privately operated service stations and other retail and wholesale outlets for oil products.*

Canada's growing oil industry means orders for many businesses, jobs for many Canadians. Last year Imperial's purchasing department bought equipment and supplies from Canadian firms amounting to—
$12 millions? $56 millions? $110 millions?
→ *$56 millions. About 4,500 Canadian companies sold Imperial supplies ranging from heavy steel plates to paper clips.*

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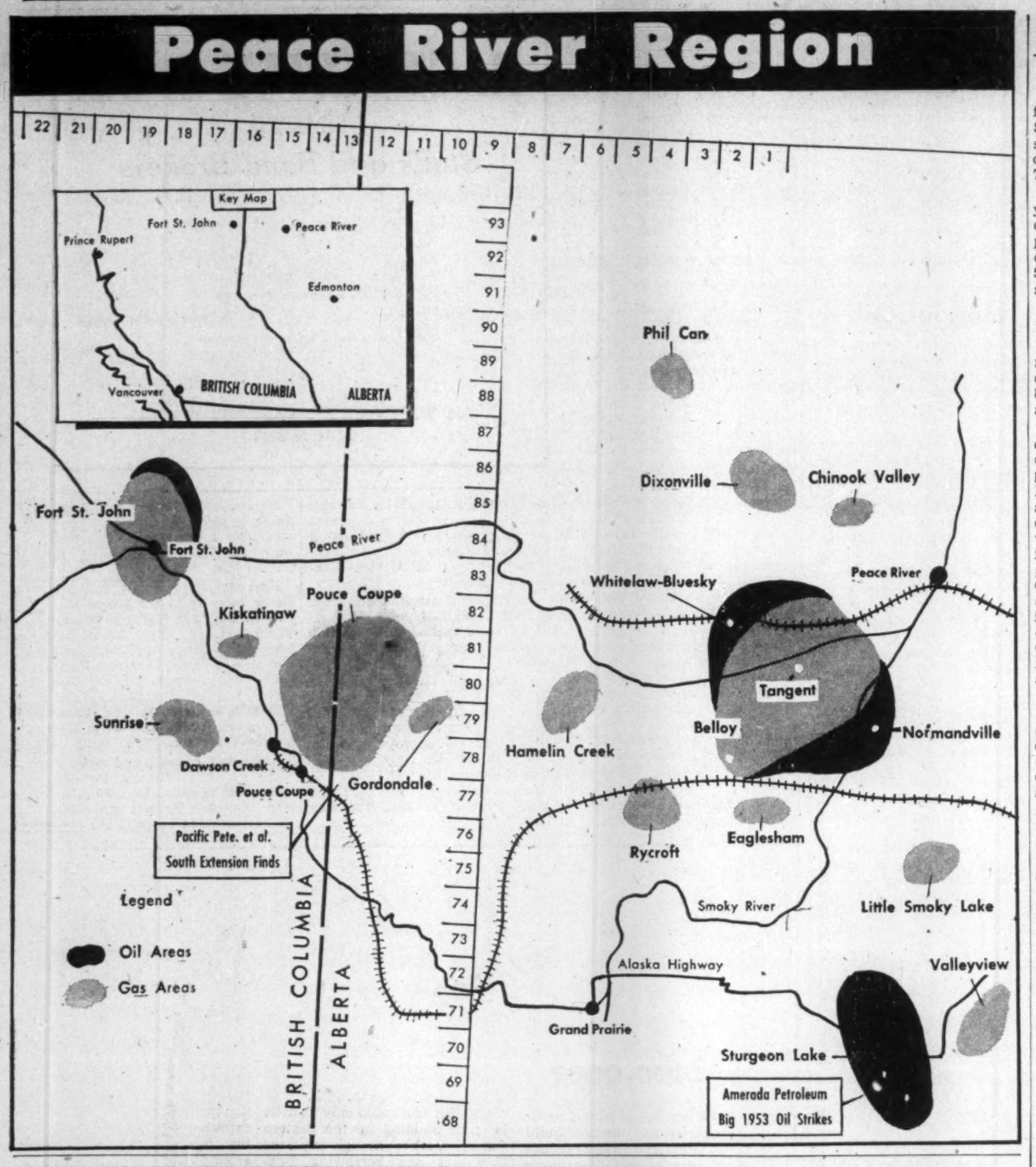

Refinery Companies

(Continued from page 65)

for estimated income taxes, was $2,602,144 or 98c per common share, 35.1% higher than third quarter 1952 net of $1,926,371 or 72c per share.

For the first nine months of this year, consolidated net income is estimated at $5,288,770 or $1.96 per common share, a rise of 14% over corresponding 1952 net of $4,641,113 of $1.71 per common share.

North Star Oil

North Star Oil Ltd. proposes to replace its present 4,000 bbls. daily capacity refinery with a new 8,000-bbl. catalytic cracking plant at St. Boniface, Man.

The company is engaged in the distribution and sale of refined oil, gasoline and other petroleum products in the provinces of Manitoba, Saskatchewan, Alberta and in Northwestern Ontario. It owns 380 wholesale bulk plants which serve the commercial and farm trade and supply 110 company-owned service stations and 600 privately owned retail dealer outlets. Currently refining output is absorbed in Central and Eastern Manitoba and Northwestern Ontario. Balance of requirements for the company's marketing areas is purchased.

Company expects to complete 15 new service stations this year, compared with 12 in 1952. Capital expenditures in the past five years have totaled $3,150,000. A number of older stations have been remodeled or rebuilt, and a heavy program of renovation and improvement is currently in progress.

New financing is expected shortly through the sale of debentures in an amount understood to be approximately $5 millions. The proposed debentures will carry stock purchase warrants entitling the holders to purchase class A stock from Jan. 15, 1954, to Nov. 15, 1958, on the basis of 40 class A shares at $10 per share for each $1,000 debenture.

Net profit for the first six months of 1953 is reported at $267,735, compared with $475,606 for the full 1952 year.

Reliance Pete.

Reliance Petroleum Ltd., London, Ont., is engaged in wholesale and retail distribution of petroleum products in Ontario. Its name was changed from Crown-Dominion Oil Co. in 1949. It took over McManus Petroleums Ltd. and Thayers Ltd. shortly afterward in the same year.

The company has marketing divisions in Hamilton, London and Toronto. It has bulk plants in Aylmer, Chatham, Essex, Hamilton, London, Owen Sound, Paris, Petrolia, Seaforth, Simcoe, Stayner, St. Catharines, St. Thomas, Tavistock, Toronto and Woodstock.

Capitalization outstanding at Dec. 31, 1952, consisted of 9,485 4½% preferred shares, par $50; 68,636 n.p.v. class A shares and 26,757 class B shares.

Sales of $2,891,292 were an all-time high. Net profit amounted to $374,666 in 1952, up 17% from 1951. The net was equivalent to earnings of $3.70 on the combined class A and class B shares ($3.13 in 1951) after taking into account the participation feature.

During the year service stations were erected in Welland and Hamilton, and additional service stations were purchased in Oshawa, St. Catharines, Brantford, Cottam and Essex. A new system of credit cards gave indication of favorable influence on sales.

Supertest Pete.

A wide range of petroleum products is distributed by Supertest Petroleums in Ontario and Quebec. Besides its 58 bulk storage plants, the company has over 2,000 retail outlets, over 800 of which are owned or controlled by the company. The company is exclusively in the marketing and distribution business, having no refining capacity of its own.

Net sales reached an all-time high of $41 millions in 1952, continuing the upward trend which has been strongly in evidence since 1947. Using 1945 as a basis of comparison, sales of gasoline in 1952 reached a level of 304% whereas total domestic consumption rose only 223%. Fuel oil and distillate sales over the same period increased to 361% as against a total domestic consumption ratio of 364%.

During 1952, Supertest completed an agreement with Atlantic Refining Co., which operates in the U. S., for interchange of credit facilities in respect to retail customers.

Consolidated net profit amounted to $1,456,755 in 1952 against $1,232,482 the preceding year. After allowance for preference dividends, earnings were equal to $1.86 a share on the common as against an equivalent of $1.56 a share (after stock split) for the preceding year.

Funded at the end of 1952 amounted to $3,619,619 as compared with $3,792,433 the year before.

Can. Oil Cos.

Canadian Oil Companies, Ltd. is engaged in refining, distribution and sale of gasoline, motor oils, lubricating and industrial oils, grease, kerosene, anti-freeze and a number of oil product specialties. Its products are sold throughout Canada except for British Columbia and Newfoundland.

The company owns a refinery with a rated capacity of 20,000 bbls. daily, at Froomfield, near Sarnia, Ont. The plant, built and operated by a wholly owned subsidiary, Canadian Oil Refineries Ltd., was brought into production early in 1952 and replaced an older refinery at nearby Petrolia.

Oil blending plants are operated at Montreal, Toronto and Winnipeg and marine storage terminals are located at Montreal, Quebec City, Toronto, Hamilton, Parry Sound and Fort William. Approximately 150 branch warehouses and bulk plants are owned and operated by the company for wholesale distribution and approximately 300 owned service stations and 600 stations controlled by lease or otherwise for retail distribution. A further 2,600 independent retail outlets are also supplied.

Construction was recently completed of a 200-mile, eight-inch products pipeline between Sarnia and Toronto. Initial capacity of the line is 17,500 bbls. daily, but ultimate maximum capacity will be 35,000 bbls. per day. The line is owned and operated by Sun-Canadian Pipe Line Co., which is owned one-third by Canadian Oil Companies and two-thirds by Sun Oil Co.

Capitalization of Canadian Oil Companies, Ltd., outstanding at Dec. 31, 1952, comprised $3,778,500 first mortgage 3¼% bonds due 1962; $1,801,500 first mortgage 3½% bonds due 1964; $12 million 5% debentures due 1972; 20,000 shares of 8% cumulative preference stock, $100 par; 50,000 shares of 5% cumulative preference stock, $100 par; 10,000 shares of 4% cumulative preference stock, $100 par; and one million common shares with no par value. In addition, the subsidiary, Canadian Oil Refineries Ltd., had outstanding $4 million general mortgage 4½% bonds due 1967 and $10.5 million first mortgage 4% bonds due 1966, and a real estate holding company, White Rose Ltd., had $120,000 first mortgage 2¾% serial bonds due 1953-55 inclusive. These serial bonds are guaranteed by the parent company.

Sales volume in 1952 reached an all-time high of 204,228,921 gallons compared with 166,290,975 gallons in 1951. Dollar value of sales increased to $48,930,587 in 1952 from $42,891,935 the year before.

Consolidated net profit for 1952 was $1,253,414, equivalent to 80 cents per common share after allowing for all preference dividends. This compared with net profit of $1,148,861 or 70 cents a common share in 1951.

TOWN OF LEASIDE, Ont., has sold $256,000 4½% debentures, due Sept. 1, 1954-73, to a syndicate headed by J. L. Graham & Co. Debentures are offered to yield 4.40% for the 6-20 year maturities. Proceeds to finance an addition to the high school.

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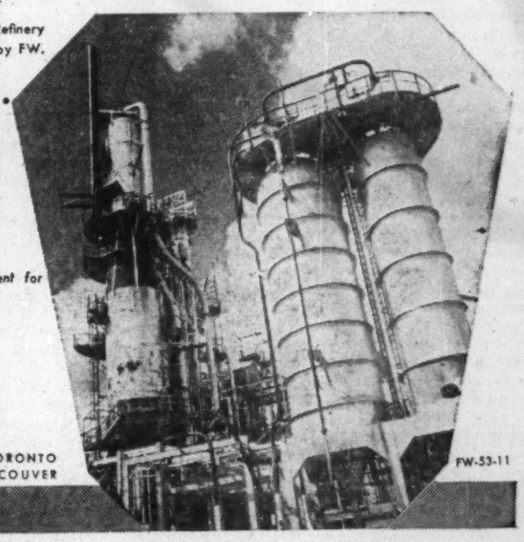

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New Davies

New Davies Petroleums is participating to the extent of ½% in a $5 million exploration program being carried out by Oilwell Operators Ltd. This is the joint operating vehicle recently set up by Federated Petroleums and Home Oil Co.

The group has successfully completed four oil wells in the Devonian D3 zone at its holdings of 480 acres in the Erskine field. A fifth well was completed as a potential gas producer in the Lower Cretaceous formation after failing to find oil in the D3.

The company's other main interests are at present centred in the Erickson Coulee, Porcupine Hills and North Turner Valley areas, all of them believed to have gas and oil possibilities. New Davies also owns four producing wells at Turner Valley and has a share in two at Camrose. A large stock holding is owned in Newclare Oils Ltd., which has acreage under development west of the Granum area in Alberta.

New Superior

New Superior Oils of Canada is the operator in a group of companies which have banded together to evaluate their holdings. On 920 acres at West Drumheller 15 wells have been completed in the Devonian D2. New Superior has a 27½% stake in 11 and 35% in four.

At Nevis on 580 acres held by the group, their first well opened up 132 ft. of wet gas zone in the D3. Recoverable gas reserves underlying this tract were estimated at approximately 27.3 billion cu. ft., of which New Superior's share is 60%. Three wells have been completed successfully in the Viking sand at Armena-Camrose on 160 acres acquired from Imperial Oil.

In Saskatchewan the group has 569,166 acres on which nine wells have been drilled. None resulted in oil or gas in commercial quantities. However, at Cook Lake on an 81,120-acre spread farmed out by the group to Canada Southern Oils, light oil and gas has been discovered in a 16-ft. Viking sand pay zone at about 2,200 ft. depth. The group retained a half interest in this farmout.

Joseph Lake acreage of New Superior and its associates has mostly been drilled out with the completion of 74 oil producers. Further drilling depends on the performance of edge wells. Remaining recoverable oil reserves on company's holdings here are estimated at 9,907,000 bbls.

On Apr. 30, 1953, the company held interests in some 100 oil wells, equivalent to 100% ownership of 25.15 wells. Interests in eight gas wells were equal to 2.78 wholly owned wells. Land holdings totaled 118,393 gross acres of leases (23,282 net acres) and 1,623,988 acres of reservations (516,026 net acres).

Net return to the company from production amounted to $354,590 in the year ended April 30, 1953. After all expenses, depreciation of $102,590 and $103,450 provision for amortization of development, net profit was $179,729. This compares with $101,742 the year before.

Yankee Princess

Acreage holdings of Yankee Princess Oils Ltd. comprise 1,168,923 gross acres, or a net interest in 250,180 acres. These are located in 22 areas of Alberta, eight in Northeastern B. C., at Napinka, Man., 12 Saskatchewan districts, five counties in Montana and three in North Dakota.

Producing wells in which the company participates include four at Armena (50%) and one in the South Camrose field (25%). The company's share of oil reserves from these wells is estimated at 654,200 bbls.

Yankee Princess also has a small interest in 9,000 acres in the Fort St. John area of B. C., on which are located three wet gas wells of the Pacific Petroleums group. At Baintree the company is providing 25% of costs of a test of the Cooking Lake formation. The well is scheduled to be carried down to about 7,900 ft.

Yankee Canuck

Yankee Canuck Oil & Mining Corp. has varied interests in 11 oil producers and in 21,500 acres in six areas in Alberta and in Florida. In the Bonnyville heavy crude oil field in Northeastern Alberta, the company has a 40% stake in 4 oil wells. These were drilled by three other companies which provided 90% of costs for a 60% interest in the company's 6,150-acre spread. Four other wells, two of them wildcats, were unsuccessful.

Revenue also accrues to the company from its 20% share in four Leduc producers and 32% in three at Bashaw. On 3,480 acres in Florida held with others geophysical work is being carried out, to be followed by a three-well program.

Of 5 million shares of $1 par value authorized, 4.3 million shares are outstanding.

Trans-Western

Royalty interests in over 100 oil wells are held by Trans-Western Oils, as well as participation in nine others at Blackfoot, Lloydminster, Leduc and Namao. Acreage held comprises 970 acres in Alberta, 340 in Saskatchewan and 20,000 acres in north central B. C.

Company also has "ahead-of-the-drill" royalties on 440 acres at Leduc, 1,440 at Stettler, 560 at Campbell, 320 at Whitemud and 160 acres in each of the Camrose, Ellerslie, Golden Spike and Excelsior areas, all in Alberta.

Authorized capital is 3 million shares, of which 1,895,005 shares are issued and outstanding.

West Territories

Chief activity of West Territories Oils is in the Hamilton Lake field in Alberta, where the company has working or carried interests of up to 25% in about 2,500 acres of leases. To date some six wells have been completed as Viking sand producers on company lands while a number of offset and stepout wells have been abandoned.

Earlier this year the company explored 1.6 million acres in Northwest Territories in return for a 50% interest therein. Several strata tests were drilled east and southeast of Fort Simpson. Three more tests are planned in association with British American Oil Co. and Hudson's Bay Oil & Gas Co.

The company also has a share in 23,500 acres of leases in Alberta and in 4,240 acres in Manitoba. Several of these areas were tested but results were unproductive. Authorized capital of the company is 5 million shares of one cent par value; 3,200,060 shares are outstanding.

Sweet Grass Oils

A substantial stake is held by Sweet Grass Oils in one of the larger new Alberta gas discovery areas — that at Kessler between the Viking-Kinsella field and Provost. A 50% interest is held in the Sweet Grass Kessler No. 1 well which rated an open flow calculated at 67 million cu. ft. and a similar interest is held in the 20,000 acres on which this well was drilled.

An 18¾% interest is also held in another 20,000 acres to the northwest in which two other wells have been drilled 4¼ miles and 5¾ miles northwest of the discovery. Another well is now drilling three miles to the east of the discovery well on a 16,000-acre block in which Sweet Grass has a 20% interest.

Beersheba No. 2 well in Harris County, Texas, is an indicated gas success, having found oil as well. The gas, however, is indicated as being more profitable than the oil.

Sweet Grass, of course, has other substantial gas interests in the Steveville area where a 50% interest is held in approximately 60,000 acres. There are five successfull wells here — four gassers and one oil. Two of the gas wells have proved 33,100 million cu. ft. of gas, the management states.

Kenwell Oils & Mines

Interests in over a score of producing oil wells plus a number of gas wells is held by Kenwell Oils & Mines whose properties lie chiefly in Alberta, Kansas and Texas. Altogether the company is reported to have interests in 1,236,265 acres in Alberta, British Columbia, Yukon Territory, Texas and Kansas.

In Feb., 1953, Kenwell was estimated to have net recoverable reserves of three million bbls. in Canada and the U. S.

A 3¾% interest is held in 350,000 acres in the McMurray tar sands area where drilling of over 60 holes has indicated a substantial quantity of oil not included in reserves mentioned above.

Kenwell holds approximately a 5% interest in a number of successfull Merrill-Mitmor wells completed at Erskine, Alberta, during 1953.

Consolidated balance sheet as at Aug. 31, 1952, showed current assets of $544,311 including $349,131 cash as against current liabilities of $30,641. There was a small loss of $2,847 for the year ended Aug. 31, 1952.

The Gas Marketing Challenge

(Continued from page 53)

claims that the proposed 30-in. diameter line with a daily capacity of 300 million cu. ft. could be made to stand on its own feet right from the start.

The whole question, of course, revolves around price of gas laid down at city gate in the East and ability to build up gas markets fast. Trans-Canada officials testified before the extended hearings of the Conservation Board in Calgary that they could pay 10c per m.c.f. for gas at wellhead and deliver to Toronto the first year at 56c per m.c.f. at a 63% pipeline load factor. There is little doubt that at this price the gas could be retailed competitively with coal and fuel oil.

Opponents of the Trans-Canada line claim, however, that there wouldn't be a ghost of a chance of operating the line at a 63% load factor the first year; claim it might be closer to 30% and because of this, laid-down cost of gas in the East would soar far above competitive levels.

A marketing survey done by the engineering firm of Stone & Webster on the economic feasability of such a line (the survey was done for the opposing Western Pipe Line group) found that such a project "lacks the basic near-term sales potential and earnings power to attract the funds necessary for its construction."

The survey goes on to propose that "under favorable conditions, the utility sales could be developed from their present equivalent of 11 billion cu. ft. a year to 63 billion cu. ft. in the fifth year. By means of interruptable industrial sales, the fifth-year pipeline output could be increased to 103 billion cu. ft. (The Ford, Bacon & Davis survey sees the fifth-year market at 138 billion cu. ft.)

The survey says that in the early years, only a relatively small volume of sales could be guaranteed by firm longterm contracts with distributing utilities (and this is the most profitable type of business). This alone —the report says—renders the large-scale sales of securities (to finance such a line) impossible.

Opponents of the all-Canada line claim that only by substantial government aid during the first few difficult years could such a line attract financing. In mind, is such Ottawa help as removal of duty on imported pipe and equipment used in building the line, partial removal of sales tax and possible deferment of income tax for several years.

No mention of any aid—other than a 20% reduction in duty on imported pipe, etc.—was mentioned in the Ford, Bacon survey. The only real qualifications laid down there are that the utility companies which would use the gas institute an aggressive natural gas sales program with all classes of customers and make use of competitive rate schedules with other fuels.

The Trans-Canada line proposes to serve nearly all of the Canadian cities between Alberta and Montreal. In this territory, more than 4.5 million people live in more than 200 communities. The Ford, Bacon survey estimates that the Trans-Canada line could have a total of 857,068 residential and commercial customers at the end of the fifth year of operation.

The three major markets are metropolitan Montreal, metropolitan Toronto and Southern Ontario. At present, only manufactured gas is sold in the first two areas and in Hamilton. There has been little expansion of customers or sales on any of these systems in recent years.

The cost of main lines and laterals at beginning of fifth year of operation is estimated at $312,436,000. This would include 25 pumping stations and an installed capacity of 278,000 hp. Cost of gathering lines would add another $41 millions.

In late July an event took place which hit hard at hopes for an all-Canada pipeline. At that time, the U. S. Federal Power Commission approved export of 22 billion cu. ft. of U. S. gas annually into the Niagara area for sale in the greater metropolitan Toronto district served by Consumers' Gas Co. of Toronto.

Although Canadian Government and petroleum officials were well aware of the Consumers' application seeking permission for import, it was generally believed that Washington would turn such a proposal down. It was obvious that a Trans-Canada line would be scuttled without the fat Toronto market.

It became pretty clear that if Ottawa still insisted on its all-Canada line it would have to take action to block Consumers' proposed import of U. S. gas. Consequently, a two-clause amendment to the old pipeline act which would bring import of U. S. gas under federal control was quickly drawn up and introduced at the current session of Parliament. The bill has already received first reading.

Yet Another Proposal

Meantime, the fast-changing pipeline story took another twist. Yet another, and still bolder, proposal had been worked out by the long-experienced pipeline builders—Bechtel Corp., San Francisco. Under this plan, Consumers' would be permitted to import U. S. gas after all—for about three years—in order to build up the Toronto market.

At the end of that time, an all-Canada pipeline would have reached the built-up Toronto market area and import from U. S. would be straightway cut off. Not only would the U. S. gas be stopped, but by an extension of the all-Canada line to the U. S. border Western Canadian gas would be fed back into the growing market area of Tennessee Transmission Co. in New York State.

But there was another bold proposal in the Bechtel plan as well —a 36-in. diameter line (other proposals had been for a 30-in. line). Furthermore, Bechtel said that in order to make such a trans-Canada line economical an initial volume of 500 million cu. ft. of gas daily would have to be marketed. This could only be done by first building up the Eastern Canada market through imported U. S. gas and borrowing from Southern Ontario gas reserves, and secondly by exporting as much as 200 million cu. ft. of gas daily to U. S.

Bechtel went further. Even with such sweeping plans, designed to cut laid-down cost of gas in Eastern Canada, subsidy help would be necessary from Ottawa by elimination of import duties on pipeline materials, elimination of sales tax on materials used and exemption from income tax for several years. With all this help and a 100% pipeline load factor Western gas could be sold to Eastern utilities at 45c per m.c.f. This was the lowest price mentioned yet. Even at a 70% pipeline load factor the gas price would be relatively low—51c.

There the gas pipeline story stands at the moment. The Alberta Petroleum & Natural Gas Conservation Board has now reached a decision on quantity of surplus gas available to serve an export market (best guess is that the figure will be somewhere around 4 trillion cu. ft.).

But decision on which of the two basic pipeline plans—or what is thought more probable, which one of several compromise arrangements—may entail further meetings with Ottawa and possibly officials of the pipelines involved and their respective financial backers.

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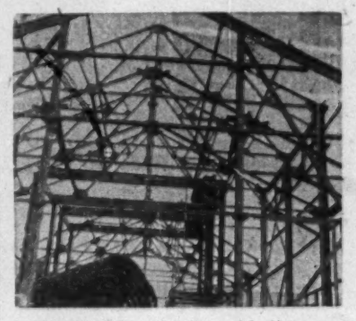

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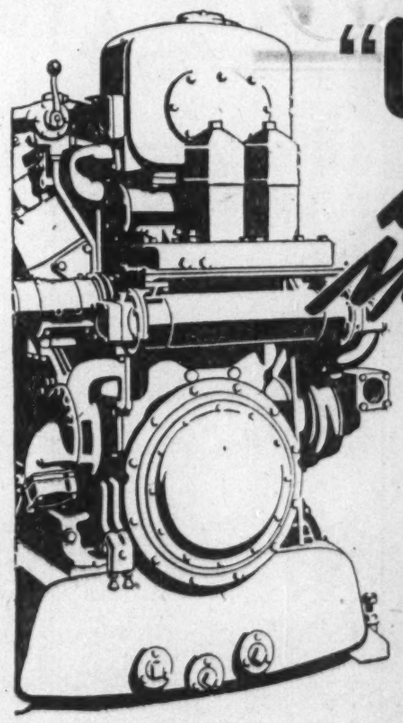

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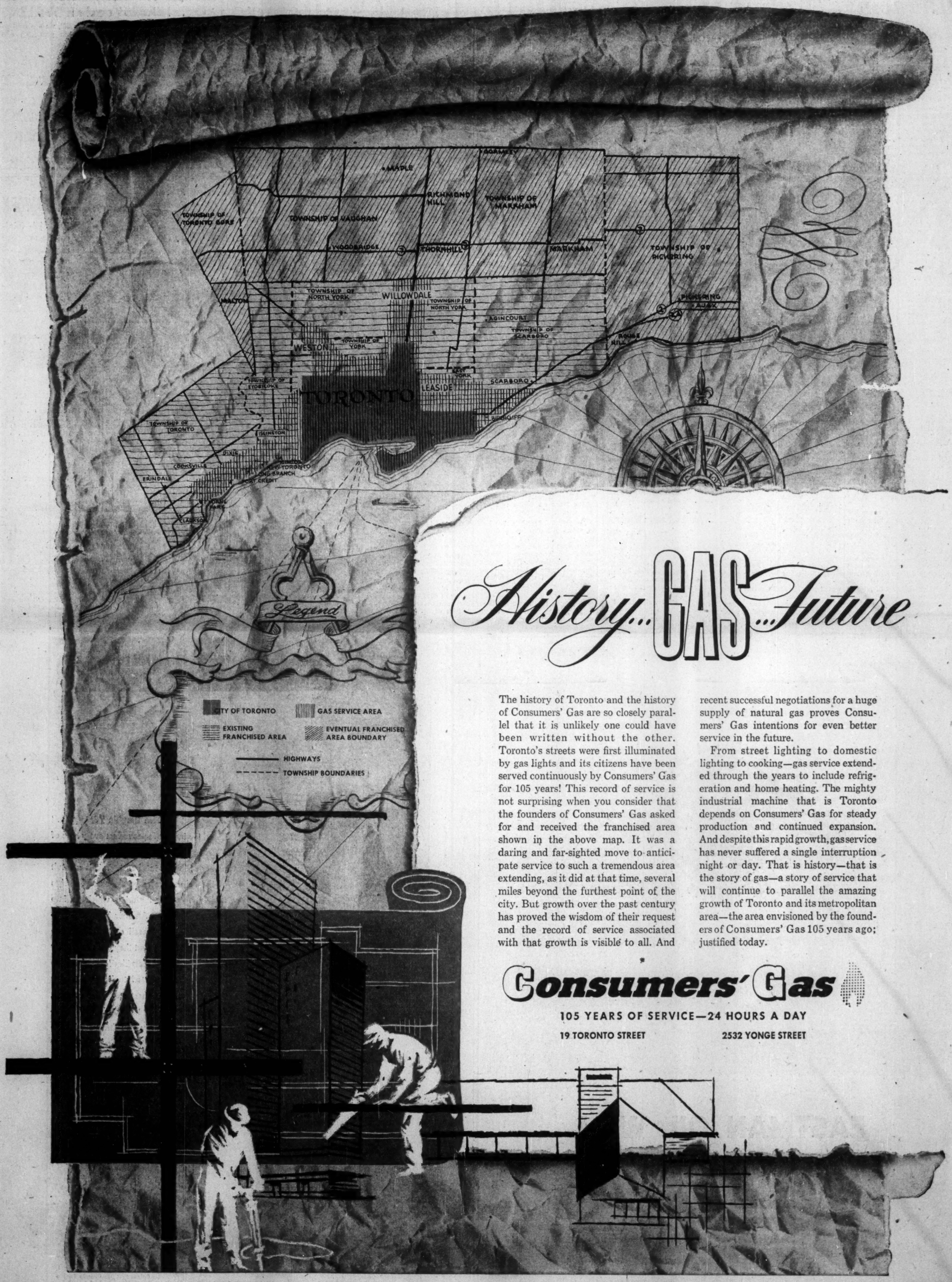

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The history of Toronto and the history of Consumers' Gas are so closely parallel that it is unlikely one could have been written without the other. Toronto's streets were first illuminated by gas lights and its citizens have been served continuously by Consumers' Gas for 105 years! This record of service is not surprising when you consider that the founders of Consumers' Gas asked for and received the franchised area shown in the above map. It was a daring and far-sighted move to anticipate service to such a tremendous area extending, as it did at that time, several miles beyond the furthest point of the city. But growth over the past century has proved the wisdom of their request and the record of service associated with that growth is visible to all. And recent successful negotiations for a huge supply of natural gas proves Consumers' Gas intentions for even better service in the future.

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